

**The governance of UK national museums and art galleries:
Implications for accountability**

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Declaration of authorship

I, Aminah Binti Abdullah, hereby declare that this thesis and the work presented in it are entirely my own. Where I have consulted the work of others, this is always clearly stated.

Signed:

Date: 20-11-2015

Dedicated to my (late) mother, father and brother.

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Abstract

Governance is a murky and multi-faceted concept, which is generally defined as the system by which an organisation is managed and controlled. A good governance system is expected to steer an organisation towards achieving its accountability objectives. As such, governance and accountability are inter-related concepts. The choice of governance mechanisms has implications for accountability.

The main objective of this PhD thesis is to examine how UK national museums and art galleries (MAGs) are governed, by investigating the following sub-research questions: What purposes do UK national MAGs serve in modern society? How are the UK national MAGs controlled by the government and why are they so controlled? How do the UK national MAGs govern themselves to discharge their accountability? What key governance challenges and tensions do the UK national MAGs face?

The study draws from Foucault's work on governmentality to develop a theoretical framework for empirically examining how the UK national MAGs are governed. Foucauldian analytical themes of 'disciplinary power and knowledge' and the control 'panopticon' mechanism comprising of *hierarchical observation*, *normalization* and *examination* were adopted to inform the empirical analysis. Empirical data were collected from primary and secondary sources. Primary data were obtained from thirty-two semi-structured interviews conducted with senior officers from: the Department for Culture, Media & Sport (DCMS), a lobbying organisation (i.e. National Museum Directors' Council (NMDC)), non-government sponsors, and the boards of trustees and senior management teams of three national museums and three art galleries located in London. Secondary data were obtained from the annual reports of MAGs, government publications, and press releases.

The findings show that the UK government has *normalized* the behaviour of MAGs to bring them to account for their actions by using a range of governance mechanisms. The UK government used funding and regulatory mechanisms, appointed boards of trustees, and imposed performance management regimes to *normalize* the behaviour of MAGs. Central government's *hierarchical observation* and *examination* mechanisms created tensions and conflicts in the governance process. For example, the boards of trustees and senior management are also accountable to their non-government sponsors and individual donors whose expectations were not necessarily in harmony with those of the government. The current era of austerity and corresponding reduction in government funding may further compound these problems, as increases in contributions from non-government sponsors may require greater account-giving in return.

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List of abbreviations

AHRC	Arts and Humanity Research Council
BP	British Petroleum
CEO	Chief executive officer
DCMS	Department for Culture, Media & Sports
DfE	Department for Education
EPSRC	Engineering and Physical Science Research Council
KPIs	Key performance indicators
MAGs	Museums and art galleries
NAO	National Audit Office
NERC	Natural Environment Research Council
NDPB	Non-Departmental Public Body
NMDC	National Museum Directors' Council
NG	Network or partnership governance
NPM	New public management
PA	Public administration
STEM	Science, technology, engineering and mathematics

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CHAPTER 1

Introduction, motivation of this study, research questions, contributions and organisation of the thesis

1.1 Introduction

The objective of this PhD thesis is to examine how UK national museums and art galleries (MAGs) are governed. It identifies and discusses the mechanisms used to steer the activities of MAGs, and the challenges and tensions in the governance process. The thesis's analysis unveils the mechanisms mobilised by the government to control and shape the governance of these organisations. This thesis draws from Foucault's work on governmentality to develop a theoretical framework for empirically examining how MAGs are governed. Foucauldian analytical themes of 'disciplinary power and knowledge' and the control 'panopticon' mechanism comprising of *hierarchical observation, normalization* and *examination*, were adopted to inform the empirical analysis. The Foucauldian analytical themes are centred on the use of disciplinary power and knowledge relations to dominate and transform the political and societal arena.

Governance is a contentious, multifaceted and elusive concept that is widely used in the social and political sciences (Almquist, Grossi, Helden, & Reichard, 2013, p. 175; Solomon, 2010). In the corporate governance literature, governance is often defined as the system by which companies are directed and controlled (Cadbury, 1992; FRC, 2012) and is primarily concerned with the accountability relationships between the board of directors and shareholders. In the public sector, public governance is used to refer to the ways in which public sector organisations are directed and controlled by the government and is primarily concerned with the accountability relationships among the government, senior management of public sector organisations and users of public services (Collier, 2005; Osborne, 2010).

Governance and accountability are inter-related concepts. Collier (2005, p. 931) conceives "accountability as a state of mind, and governance as a method of control and a legitimating device that are all inter-related". The multi-faceted and contested concept of accountability has been defined as meeting the expectations of stakeholders or principals (Dubnick, 1998, 2005; Sinclair, 1995). The aim of a good governance system is to effectively meet the accountability expectations of stakeholders (Dubnick, 2005). However, the notion of governance is more problematic in the public sector than the private sector as there are numerous stakeholders with different expectations to account

to. Furthermore, the governance model used to steer public sector organisations may not satisfactorily meet the expectations of all stakeholders. Partly as a result of this problem, some researchers have argued that the governance of public sector organisations in the modern state has become a political, calculative and reflexive practice (Hodges, 2012; Kurunmäki & Miller, 2011; Rose & Miller, 1992).

Division of power and administrative authority between government as a principal (or main stakeholder), and executives of public sector organisations as agents, are important features of public governance. In the context of arts organisations in Sweden, Lindqvist (2007, p.303) “concludes that public governance does affect strategic planning and action in the individual arts organisation by presenting it with opposing logics of control and evaluation and by creating economic and political vulnerability for the organisation through budget and management controls”. Although managerial reforms, grounded in the new public management (NPM) literature have been extensively examined in public sector organisations (Hood, 1991; Osborne, 2010), the “lack of interest in the arts and culture is astonishing given the importance given to culture by politicians engaged in urban and regional development” (Lindqvist, 2012, p.18). Hence, these arguments serve as the motivation of this thesis.

1.2 Motivation of this study

MAGs are at the centre of cultural heritage, the tourism industry, research and learning, and social cohesion for any society, not least the United Kingdom. The government partly contributed to their success by funding them to carry out activities to benefit society. Furthermore, since the reintroduction of free entrance in 2001,¹ the number of visitors to UK MAGs has significantly increased. However, despite their significant contributions in the modern society, very few accounting studies have been undertaken in these organisations, particularly with regards to the accountability implications of their governance processes. These organisations are a country’s major source of pride, but little is known about how they are affected by government policies and governance reforms (Lindqvist, 2012).

¹ There was a prior long history of free admission into the national MAGs. However, museum charges were reintroduced during Thatcher’s administration (Conservative) in 1979. Although this approach was opposed by the Labour government when it was in opposition, the strategy was subsequently continued when it gained power.

Due to the fact that MAGs receive funds from different sources such as the government (which is the main funder), corporations, other institutions and private donors, it is important to understand how they actually use these funds in order to fulfil their accountability objectives. Thus, from a public accountability perspective, probity in spending public money for the benefit of the population is important.

Accounting plays an integral role in the governance process, as it enables organisations to explain how funds have been obtained and used. For example, a qualified audit opinion issued by the Comptroller and Auditor General in respect of the Imperial War Museum's financial statements for the year 2008-2009 because of an irregularity found in relation to their leasing expenditure, raised important questions regarding public accountability. However, few studies have examined the role of accounting in enabling accountability in MAGs (Carnegie & Wolnizer, 1996). Oakes, Townley, and Cooper (1998) examined the introduction of accounting controls in Canadian museums and found that formalized controls have changed the modes of governance, reshaped identities and resulted in symbolic violence. Whilst accounting controls, which are executed through organisational hierarchies, may be used as a disciplinary mechanism to reward or coerce, "it is also important to understand how control works more subtly through language and the construction and use of knowledge" (Oakes, et al., 1998, p. 258). Whilst some studies have shed light on the dysfunctional effects of accounting controls in the field of arts and culture (Carnegie & Wolnizer, 1996; Christiansen & Skærbæk, 1997; Rentschler & Potter, 1996), this study focuses on the UK context and uses a Foucauldian theoretical framework to understand the role of accounting, as part of a governance mechanism, in disciplining MAGs.

1.3 Research questions

Over the decades, governments have used governance mechanisms grounded in the ideas of public administration (PA), new public management (NPM) and new public governance/network governance (NG) to direct and control public sector organisations (Ferlie, Fitzgerald, McGivern, Dopson, & Bennett, 2013; Osborne, 2010; Rose & Miller, 1992; Tremblay, 2012). This study contributes to the new public management and governance literature by developing a Foucauldian governmentality framework to examine how MAGs are governed. It investigates the following sub-research questions:

1. What purposes do UK national MAGs serve in modern society? This research question examines the existence of UK national MAGs, by investigating the roles they play in modern society, their mission and objectives, and how they serve the government's agenda.

2. How are the UK national MAGs controlled by the government and why are they so controlled? This research question critically examines the mechanisms used by government to discipline or control the behaviour of MAGs. The research adopts Foucault's governmentality concepts of power/knowledge to understand how the government controls these organisations and makes them behave in the way that meets the government's agenda. Specifically, the panopticon lens, which comprises *hierarchical observation, normalization judgement* and *examination*, are adopted to identify how and why MAGs are being controlled by the government. The main themes used to critically examine the control mechanisms are: regulatory framework, appointment of and the roles of the board of trustees, and the accounting mechanisms.

3. How do the UK national MAGs govern themselves to discharge their accountability? This research question critically discusses how the MAGs govern themselves by examining the perceptions of the regulatory framework, board of trustees and accounting mechanisms in terms of discharging accountability.

4. What key governance challenges and tensions do UK national MAGs face? The aim of this research question is to identify the challenges and tensions faced in the governance process, in order to enable those in charge of governance to better meet the expectations of stakeholders.

1.4 Contributions to the literature, theory, and policy and practice

This study contributes to knowledge and understanding as follows:

1.4.1 Contributions to the literature

This study contributes to the NPM literature in general and the literature examining the governance and accountability of art organisations in particular, by investigating the governance and its implications for accountability in the context of the UK national MAGs.

Prior accounting literature is dominated by the studies of museums and art organisations in non-UK countries, such as Australia (Carnegie & Wolnizer, 1996; Rentschler & Potter, 1996; Wood & Rentschler, 2003), New Zealand (Thompson, 1999), Italy (Ferri & Zan, 2014; Zan, 2002; Zan, Blackstock, Cerutti, & Mayer, 2000), the United States of America (Christensen & Ebrahim, 2006; Christensen & Mohr, 2003) and Sweden (Lindqvist, 2007, 2012). Although Falconer and Blair (2003) examined the governance of UK national MAGs, their study focused on the implication of the removal of admission charges which took place in 2001. Falconer and Blair (2003) however, did not examine in detail how free entrance policy may have impacted the holistic governance of the UK national MAGs and their accountability objectives. This study adds to the existing stock of knowledge through its focus on the context of UK national MAGs. It discusses the alternative types of governance structures that are used to steer the activities of UK national MAGs and the accountability implications of using a new public management style of governance to steer their activities.

The findings show that the roles of UK national MAGs have changed over the years. In the past, these organisations served a relatively small class of elite groups, but nowadays they contribute to education and learning, tourism activities, preservation of cultural and historical values, and providing a social space for people and families to come together and strengthen bonds. The changing roles were attributable to the funding they receive from the government, and non-government sponsors such as corporations, higher education institutions and trusts, and private donors. Whilst MAGs are expected to operate at arm's length from the government, the latter influences their activities through funding and regulatory mechanisms, appointment and roles of the board of trustees, and the accounting and performance management regime. The fact that national MAGs have to account to multiple stakeholders (i.e. the government, non-government sponsors, employees and the public) creates tension in the governance process. Whilst the MAGs have an upward accountability to the government, they have a downward accountability to taxpayers and the public. The relationship between MAGs and their non-government sponsors is governed through contracts, which may not necessarily be in harmony with government's objectives (e.g. advertising, acknowledgement, and using funds for a specific purpose). In the current era of austerity, UK national MAGs are increasingly being pressured to generate funding from non-government sources, which would compound tensions in their governance process.

1.4.2 Contributions to theory

This study contributes to theory by developing a ‘panopticon lens’ to analyse governance and accountability in a relatively new context, that of MAGs. Whilst the research methods are fairly conventional, they are rigorous. An extensive number of interviews have been undertaken with senior managers directly involved in the governance and accountability processes, in addition to using data from secondary sources.

This study contributes to theory by elucidating Foucault’s conception of the panopticon, as a subset of the power and knowledge relationship, to critically examine power relationships within the governance process of UK national MAGs. Whilst the preceding Foucauldian studies have alluded to the notion of the panopticon, this study uses three specific elements of the panopticon, *hierarchical observation*, *normalization* and *examination* (Walker, 2010), to critically examine how these elements were used to discipline subjects (i.e. senior managers and the board of trustees) and objects (MAGs) and make them docile (Hoskin & Macve, 1986; Preston, 2006). The concept of the panopticon and its constructs (i.e. *hierarchical observation*, *normalization* and *examination*) provide a theoretical framework for understanding how the MAGs conducted themselves in practice, how MAGs were made to act at a distance, and the power of the panoptic gaze and mechanisms in making subjects and objects docile. The empirical findings provide a novel contribution of how governance mechanisms, and the panoptic gaze, operate in more subtle ways to ‘order about’ and ‘make docile’ trustees, management and staff. Whilst these interviewees are highly educated and self-reflective individuals who can understand how they are being controlled, governed and rendered calculable, yet they can resist only silently, and the mechanisms have rendered them compliant. The findings show how governmentality is not just the ‘knowledge and know-how’ of governing that impacts on the population in general, and particularly the ‘lower orders’, but on all echelons of society including the elite class.

In contrast to prior studies which have used Foucault’s governmentality framework in different empirical settings, this study extends Foucault’s work in the context of UK national MAGs. For example, Spence and Rinaldi (2014) adopted the concept of governmentality to examine how sustainability accounting has been used by organisations to govern social, economic and environmental issues within the context of supply chain. Their study specifically extended Dean’s (2009) elements of ‘field of visibility, *techne*, *episteme*, and identified formation’ to provide empirical insights into how disciplinary power is fostered by senior managers to achieve social and

environmental goals. Brivot & Gendron (2011) discussed the limitations of the panopticon as a means to provide meaningful and productive surveillance and control mechanisms in modern society. Manochin, Brignall, Lowe & Howell (2011) adopted governmentality as a self-perpetuated representation of how an organisation uses a traffic light system to self-monitor their performance. Neu (2000a) examined the role of accounting in colonising indigenous peoples which resulted in genocidal outcomes. Neu's (2000a) work was further extended by Neu & Heincke (2004) who argued that accounting techniques of governance are eternally optimistic but perpetually failing, and are continually being layered or replaced by new techniques, including techniques of force. In a later study, Neu & Graham (2006) presented the historical consequences of accounting technologies used by the government to translate its policy and govern the indigenous peoples. Rose & Miller (1992, p. 175) examined the problems of government as an outcome of "'liberalism', 'welfarism', and 'neo-liberalism mode of governance'".

1.4.3 Contributions to policy and practice

The study contributes to policy-making by showing the outworking of governance mechanisms in practice and highlighting the problems of making MAGs accountable for their activities.

This study casts a light on the governance and public accountability of UK national MAGs and how they use public funds to legitimise their existence in society (O'Dwyer & Unerman, 2007; O'Dwyer, Owen, & Unerman, 2011). It explores and questions accepted norms or practices which have dominated or 'colonised' the 'lifeworld' of museums and art galleries (Habermas, 1984, 1987), and sheds light on complex external forces that influence the governance practices in organisations (Dillard, Rigsby, & Goodman, 2004). It also considers the impact of austerity on MAGs and the implications of gaining financial independence from the government.

This study unveils how UK government uses national MAGs to implement public policy, and the tensions that result from making MAGs managerially and politically accountable to government. Technologies of power, knowledge and the 'self' make processes of domination more visible, and thus enable social and political transformations. The findings of this study are relevant to government departments and parliamentary institutions in their formulation and implementation of public policies, in particular to the National Audit Office which is responsible for conducting value for

money audits of non-departmental public bodies funded by the Department for Culture, Media & Sport (NAO, 2010).

The study unveils how the UK national MAGs adopt austerity and continued funding cuts from the government and the potential implications for their cultural and societal values. Continued funding cuts have forced the MAGs to find alternative solutions to remain sustainable (e.g. introduce more paid exhibitions, rent spaces, increase trading activities and attract more sponsorships). However, these solutions (with the exception of attracting more sponsorship) are perceived to be shaping the direction of their governance away from cultural and societal values towards a commercial value. The introduction of more paid exhibitions and less free exhibitions raises doubt about the legitimacy of the MAGs' existence within society which was claimed to serve for the population's need. Whilst it is acknowledged that charging on more exhibitions contributes toward the MAGs' survival, this strategy may only attract a smaller group of population to visit them – this defeats the government's policy objective of attracting more people to visit the MAGs.

1.5 Organisation of the thesis

To achieve its objectives and answer the research questions discussed in this chapter, this thesis is organised as follows:

Chapter 2 provides a general review of governance and accountability in public sector governance by drawing from prior literature. The chapter also discusses the concepts of governance and accountability in the context of private and public sector organisations. The chapter then examines the models of public sector governance: public administration, new public management and network or partnership governance. The chapter concludes with a discussion of the governance of the MAGs, drawing from prior literature.

Chapter 3 develops a theoretical framework to understand the governance of the MAGs, by drawing from Foucault's work on governmentality. Foucault's genealogy of governmentality was based on some of his earlier works, notably, *The Archaeology of Knowledge* (1969) and *Discipline and Punish: The Birth of the Prison* (1975). In particular, the panopticon lens of *hierarchical observation, normalization judgement and examination* is discussed to understand the power/knowledge relation. The chapter draws on prior literature to show how Foucault's governmentality lens has been applied in different sectors.

Chapter 4 explains the research methodology and methods adopted in this study. The research adopts a critical paradigm and qualitative method. Data were primarily collected from semi-structured interviews with senior managers from the Department for Culture, Media & Sports (DCMS), from a lobbying organisation that represents the MAGs, the boards of trustees and senior management teams from three museums and three art galleries in London and non-government sponsors. Secondary data came from publicly available information, such as the annual reports of the national MAGs, government publications, and press releases. This chapter also considers validity and reliability issues of the research methods adopted.

Chapter 5 answers the first two research questions: What purposes do UK national MAGs serve in modern society? And, how are the UK national MAGs controlled by the government and why are they so controlled? This chapter draws on empirical evidence obtained from interviews and analysis of secondary data.

Chapter 6 answers the remaining two research questions: How do the UK national MAGs govern themselves to discharge their accountability? What key governance challenges and tensions do the UK national MAGs face? This chapter also draws on empirical evidence obtained from interviews and analysis of secondary data.

Chapter 7 provides a discussion and analysis of the findings by using Foucault's conceptions of *hierarchical observation*, *normalization judgement* and *examination* and the power/knowledge relations. It critically examines the challenges and tensions of governing as a result of the internal and external factors.

Chapter 8 concludes the thesis by providing a summary of the chapters and main empirical findings, highlighting the limitations of the research, and identifying areas for future research in light of the limitations of the scope of this PhD thesis and the implications for policy and practice.

1.6 Conclusion

This chapter has introduced the background of the research and the motivation to undertake this study. It has discussed the research questions and aims to answer the questions. Four research questions were presented. The chapter also highlighted contributions of the study in terms of theory, policy and practice. It then explained how the thesis is structured. The next chapter provides a general review of governance and accountability in public sector organisations.

CHAPTER 2

A review of governance and accountability in public sector organisations

2.1 Introduction

This chapter reviews prior literature to clarify the concept of governance and its relationship with accountability, and discusses the model used in governing the public sector. An understanding of the concept of governance is important because the way an organisation is governed affects its accountability objectives. The chapter also provides an overview of prior literature on the museums and art galleries (MAGs) in general, their governance mechanisms and accountability objectives towards multiple stakeholders. This chapter is organised as follows. Section 2.2 clarifies the general concepts of governance and accountability. The section then discusses accountability expectations in private and public sector organisations. Section 2.3 discusses the different models of public sector governance, their ideologies, mechanisms of governing and strengths and weaknesses. Section 2.4 discusses the governance of the MAGs by drawing from prior literature. Section 2.5 discusses accountability expectations from the multiple stakeholders. Section 2.6 concludes the chapter.

2.2 Governance and accountability in public sector organisations

2.2.1 *The concept of governance: Meanings and forms*

The word governance means ‘to manage’ or ‘to steer’. Foucault (2007, p. 121) states that to govern may mean “‘to conduct someone,’ either in the specifically spiritual sense of the government of souls” or “to impose a regimen” or “a relationship between individuals that take many forms, be it a relationship of command and control... a conversation... a sexual relationship”. Governing the population encompasses a broad domain that includes a set of techniques, policy and power to look after their wealth and happiness so that the strength of the population can be converted into the strength of the state (Foucault, 1978, 2007). To exercise power and control over the population and introduce good conduct, governments establish and embrace various technologies of governing that may consist of institutions of law and order, governmental and non-governmental organisations, accounting technology and lobbying groups.

In the context of the public sector organisations, Osborne (2010, p. 142) defines governance as “the framework through which political, economic, social and administrative authority is exercised at local, national and international levels”. The

framework enables different groups of actors to discuss and mediate their opinions (Kooiman, 1999; Yapa, 2014) and to ensure the missions and objectives of the organisations are achieved. Osborne (2010, p. 9) states that studying governance provides an “understanding of the ways in which power penetrates policy, spaces, processes and practices, and the formal and informal institutional arrangements which contribute to a ‘matrix of governance’ or ‘choreographies of governance’, the ensemble of norms, patterns or behaviour, networks and other institutions, and the power-play between them”. Osborne (2010) identifies five types of public governance as follows. *Socio-political governance* is “concerned with the over-arching institutional relationships within society” (p.6). This interactive type of governance involves social-political engagement, discussions, problem-solving, creation of opportunities, institutional and societal conditions and governance stakeholders (Kooiman, 1999). *Public policy governance* is “concerned with how policy elites and networks interact to create and govern the public policy process” (Osborne, 2010, p.6). Klijn and Koppenjan (2000, p. 136) suggest that network management “focuses more on mediating and co-ordinating inter-organizational policy making”. *Administrative governance* is “concerned with the effective application of public administration and its repositioning to encompass the complexities of the contemporary state” (Osborne, 2010, p. 7). *Contract governance* is “concerned with the inner workings of the NPM, and particularly the governance of contractual relationships in the delivery of public services” (p.7). *Network governance* is “concerned with how ‘self-organizing inter-organizational networks’...function both with and without government to provide public services”. In contrast to public policy governance, network governance focuses on the networks that implement public policy and deliver public services.

Although governance is a murky concept which has multiple meanings, its broad aim is to enable agents (e.g. directors and executives) to discharge their accountability to stakeholders or principals (e.g. shareholders, public, and government) (Shaoul, Stafford, & Stapleton, 2012; Solomon, 2010). Governance can be understood as how public sector organisations are managed and controlled, and held accountable for their actions (Tremblay, 2012). The art of governing helps balance responsibilities and accountabilities to meet expectations (Dubnick and Romzek, 1993). Governance may involve steering, influencing or controlling individuals and organisations to achieve explicit or hidden objectives. Almquist, Grossi, Helden, and Reichard (2013, p. 1-2) state that “governance deals with the steering and coordination of various actors” and “includes various types of

mechanisms, particularly structures that clarify the responsibilities of the various stakeholders as regards the organization, approaches that foster the capabilities for meeting these responsibilities, and tools such as systems for internal control and external accountability”.

Governance is more problematic in the public sector than the private sector, because public sector organisations have to meet the expectations of a greater number of stakeholders whose interests may conflict (Dubnick, 1998; Dubnick & Romzek, 1993; Messner, 2009). To effectively discharge its accountability, a public sector organisation has to identify to whom, how and for what it has to account (Demirag, Dubnick, & Khadaroo, 2004). However, because not all stakeholders have the same power and influence, governance structures may prioritise the accountability expectations of one stakeholder over another. A number of studies have noted that governance in non-profit or non-governmental organisations has not been well-researched and as a result, their accountability is not well-understood (Agyemang, Awumbila, Unerman, & O'Dwyer, 2009; O'Dwyer & Boomsma, 2015; Unerman, O' Dwyer, Gray, Bebbington, & Collison, 2006). To this end, Collier (2008, p. 933) has called for an effort to promote better understanding of these increasingly important entities which have “no single model of public management”.

Collier (2008, p. 933) defines corporate governance as “the social organization of firms and their relation to their environments including their relations to states combining an economic concern with efficiency and a broader sociological concern with social, political and cultural factors”. Collier (2008) argues that because government is no longer providing direct service, but sub-contracting them to the private sector or other organisations, greater networking and partnership with stakeholders is required to enable the transition from NPM to new public governance. Corporate governance in quasi-public sector organisations helps balance different stakes and interests of various markets in which an organisation operates, and hence enhances accountability towards greater groups of stakeholders, rather than focusing on upward accountability only (Collier, 2008; O' Dwyer & Unerman, 2008).

Governance and accountability are inter-related and umbilically linked concepts (Carnegie & Napier, 2012). The way an organisation is governed generally shapes its accountability direction and objectives. Governance in the public sector organisations, non-departmental public bodies and non-governmental bodies is complex partly because they have to satisfy accountability expectations of multiple stakeholders. The next sub-

section clarifies the concept of accountability to better understand the means-end relationship between governance and accountability.

2.2.2 The concept of accountability: Meanings and forms

Accountability is “a cherished concept, sought after but elusive” because it is subjectively constructed and changes with context (Sinclair, 1995, p. 219). Accountability involves “the giving and demanding of reasons for conduct” (Roberts & Scapens, 1985, p.447). In the context of governance, accountability involves: an account-giving relationship between individuals, accepting responsibility for conduct, providing information and being prepared to face rewards or sanctions. Accountability involves assigning responsibility, implementing systems of control, demanding reasons for, justifying conduct, and reinforcing good conduct through punishment and reward mechanisms (Dubnick, 1998; Mulgan, 2000). Napier (2006, p. 452) suggests that accountability for results and decisions can be used as a basis to “reward or penalize the ‘steward’, whether manager, agent, employee, company director”, and other actors, including “the state, institutions such as employer collectives and trade unions, the academy, the media, and so on” (Napier, 2006, p. 458). Although accountability has multiple meanings, Romzek and Dubnick (1987, p. 228) define it as the “management of expectations” of stakeholders.

Prior accounting literature has provided different meanings of accountability and has argued that accountability has to be understood in specific settings (Mulgan, 2000; Shearer, 2002; Sinclair, 1995; Stewart, 1984). Bracci (2009) distinguishes between responsibility and accountability by arguing that, “responsibility is a component or factor within the broader concept of accountability”. He states that accountability relates to “events and results placed both in the past and the future, responsibility refers only to the present” (Bracci, 2009, p. 296). To hold a person accountable, that person needs to have the autonomy to make decisions in order to achieve objectives. Accountability encompasses what activities are involved in conducting, how principals control the conduct of agents, how agents conduct or behave themselves, and how agents behave as a result of being conducted (Foucault, 2009). Messner (2009) suggests that accountability is where a person is required to answer, explain and take responsibility for his/her actions, and requires the understanding of who is responsible to whom and for what.

Because of the chameleon nature of accountability (Sinclair, 1995), there is a need to extend the scope of accountability to include dialogue, responsiveness and reporting on

results (Mulgan, 2000). Principals (or broader stakeholders) *impose* a requirement on their agents to provide accounts for their conduct, by using accountability mechanisms such as accounting, as a mechanism of accountability. Agents resort to using accounting information to explain and justify their actions to principals and interest groups. Principals expect agents to deliver services as expected, thus accountability becomes a form of control to ensure agents meet their expectations (Fowler & Cordery, 2015). Accountability in this sense is formal in nature.

O'Dwyer and Boomsma (2015) identify three forms of accountability: (1) An *imposed* accountability which “prioritises formal, coercive, compliance-based forms of accountability that seek to hold NGOs responsible for their actions in a hierarchical manner using mainly quantitative measures” (O'Dwyer & Boomsma, 2015, p. 37-38); (2) A *felt* accountability prioritises voluntary responsibility within the NGO actors for their performance to be assessed to achieve goal congruence with their missions; (3) An *adaptive* accountability aims to align the main features of imposed and felt accountability to “unveil the multifaceted and dynamic nature of NGO accountability” (O'Dwyer & Boomsma, 2015, p. 37-38). In contrast to imposed accountability which focuses on quantitative measures, adaptive accountability embraces a wider range of measures which includes “performance measurement standards, informal mechanisms that encourage critical reflection through developing spaces for debate and dialogue, and involvement of beneficiaries in assessing whether an organisation is achieving its mission” (O'Dwyer & Boomsma, 2015, p. 42).

Baker (2014) argues that there is a need to distinguish between *calculative* accountability and *narrative* accountability because of their distinctive features. Calculative accountability means “the type of accountability that focuses on ‘objective facts’, hard evidence, and numbers that speak for themselves” whereas “‘narrative’ accountability deals with subjective feelings and the absence of hard objective evidence” (Baker, 2014, p. 621). Calculative accountability, which is defined by economic numbers, laws and regulations that establish the administrative structures for account giving, is the most dominant form of accountability (McKernan & McPhail, 2012).

The following sub-section discuss governance in private sector and public sector organisations, and its implications on accountability objectives.

2.2.3 Governance in private sector organisations

Governance of private sector organisations is commonly termed as ‘corporate governance’, and refers to the process by which corporations are directed and controlled (FRC, 2012; The Cadbury Code, 1992). Corporate governance processes and mechanisms are implemented by the boards of directors who are responsible for internal planning, control and decision making, and discharging accountability to stakeholders. The governance of private sector organisations is generally driven by the motivation to maximise profit and increase shareholders’ satisfaction (Wearing, 2005). Private sector organisations are underpinned by the principles of accountability, transparency, integrity and fairness and concerned with structures and processes for making decision, monitoring and controlling the behaviour of top management (La-Porta, Lopez-De-Silanes, & Shleifer, 1999). In some corporate governance systems, the boards of directors act as a mediator between shareholders and managers, where the latter’s performance is appraised and held to account by the shareholders.

Numerous calls have been made by practitioners and academics for corporate governance reform and government intervention as a result of corporate failures that have affected shareholders, workers, and the general public (Hamilton & Micklethwait, 2006; Reinstein & McMillan, 2004). Factors that contributed to corporate failure can be summarised as: (1) lack of auditors’ independence (Reinstein & McMillan, 2004; Sikka, 2009); (2) failure of internal control systems (Bedard & Graham, 2011; Hamilton & Micklethwait, 2006); (3) lack of transparency and inadequate corporate disclosure (Solomon, 2010; Wearing, 2005); (4) poor oversight of executives and ineffective boards (Hamilton & Micklethwait, 2006; Wearing, 2005); and (5) corporate greed (Cianci, Fernando, & Werner, 2011; Riotto, 2008). Tan (2014, p. 362) argues that corporate governance has become “an area of risk” especially in the private sector organisations since the failure of corporate governance in the early 2000s.

The governance system in the UK has been heavily criticised partly because of its inability to resolve problems concerning inequality of income distribution (Sikka, 2008). The inequality of income distribution comes from capitalism ideology (Marx & Engels, 1969), whereby labour is exploited through gender, ethnicity, replacement by technology and age inequalities for the purpose of maximising business’s profit. According to Sikka (2008, p. 957), capitalism ideology regards “payment to labour as a cost whilst payments to capital (e.g. dividends) are considered as a reward”, and therefore “considerable attention is paid to reducing labour’s share of the firm’s income”. In contrast, senior

managers play an important role in increasing corporate profits and reducing labour cost, as they are rewarded for maximising shareholders' wealth. This ideology has its own counter effect in the sense that both high and low-income levels may adversely affect the corporation's profitability. To improve workers' rights and the public's power, Sikka (2008) suggests that the UK electoral system should be amended, to enable the public to express their opinion and provide workers with a better share of corporate profits.

Brennan & Solomon (2008) suggest that the traditional corporate governance adopted an agency theory approach to resolve the conflicting interests between management and shareholders in order to fulfil the latter's interests and maximise their wealth. This resolution of conflicting interests is often in favour of shareholders but at the expense of the management due to its accountability towards the shareholders. In the UK context for example, most of the corporate governance reforms that were reflected in the codes of practice were designed to protect the shareholders' interests and wealth (Higgs Report, 2003; The Cadbury Code, 1992; The Combined Code, 2003, 2006).

A similar approach has been adopted by other countries, including the United States. Traditionally, research on corporate governance systems has focused on the internal mechanisms such as the board and corporate performance, the effectiveness of the board to maximise shareholders' wealth, transparency, and the roles of chairman and non-executive directors and sub-committees – these were designed primarily for the benefit of shareholders. Brennan & Solomon (2008, p. 887) criticise this strategy and call for “more pertinent measures relating to firm performance to be included in this kind of research, especially measures of CEO competence and activity”, the roles of institutional investors in “monitoring corporate management” and inclusion of other stakeholders to improve corporate governance mechanisms. More researchers have now placed growing interest in the relationship between stakeholders, and between shareholders and corporate governance mechanisms (Parker, 2003a, 2007). This change is also in response to the fact that multiple stakeholders place significant roles in shaping governance mechanisms. Stakeholder perspective has become increasingly important in corporate governance process, and it is intertwined with stakeholder accountability, because stakeholders represent various groups that are being affected or affect a company's operation (Brennan & Solomon, 2008; Collier, 2008; Sikka, 2008). Clearly, researchers play significant roles in helping to shape, broaden and advance knowledge and understanding of corporate governance through research, analysis, and critiques, providing further suggestion for improvement.

The following sub-section discusses governance in public sector organisations and its implications for accountability objectives.

2.2.4 Governance in public sector organisations

Public sector governance is more complex than governance in the private sector because public sector organisations have to be accountable to multiple stakeholders who have different interests and needs (Dubnick & Romzek, 1993). Subramaniam, Stewart, Ng & Shulman (2013) identify two components of public sector corporate governance: formal, which comprises the organisation's structures, processes and framework; and informal, which comprises the cultural aspects and employees' behaviour. Formal and informal components are intertwined and enable the organisation to achieve its goal effectively and efficiently. Subramaniam et al. (2013) argue that accountability towards broader stakeholders should not be compromised to accommodate upward accountability to government.

Activities should be managed and controlled to meet the standard quality, efficiency and effectiveness. In the context of not-for-profit organisations, including the MAGs, governance mechanisms are largely focused on the roles of trustees, a chairman and the board of directors to ensure high quality and efficient service delivery (Museums and Galleries Act, 1992) – this pattern is consistent with the corporate governance code which provides specific roles for each of these positions (FRC, 2012). However, the central issue that extends beyond corporate governance is how to ensure that senior management maintains accountability to multiple stakeholders (Collier, 2005, 2008), while at the same time making sure that the executives are given the autonomy and incentives to perform their managerial tasks and strategies effectively.

Similar to private sector organisations, there has been a rising concern about the failure of corporate governance in public sector organisations. For example, issues have emerged surrounding the management of public sector organisations. Kooiman & Eliassen (1987) identify two main areas of concern: management of public tasks, including concern about unemployment and elderly people, and management of public bodies that belong to the public sector itself. Corporate governance failure is often linked with a series of inefficiency, lack of accountability and transparency and incompetence of the management. As an example of this, Ferlie, Fitzgerald & Ashburner (1995) found that a serious failure by the management of West Midlands Regional Health Authority, which was unable to exert effective control over its National Health Service regional

office, prompted the Public Accounts Committee to conduct an investigation. In its report, the Public Accounts Committee was concerned about the serious decline in probity, and called for an effective accountability and control system, underpinned by public service values. Ferlie et al. (1995) suggested that the serious incident involving the West Midlands Regional Health Authority took place prior to replacement of the Chairman and the new governance system that was later introduced.

Corporate governance reforms that involve segregation of duties between the board of directors and non-executive directors have gained support from people who felt that the reform may attract people who are better qualified with better managerial skills and experience. Qualified people with good skills would help improve transparency and accountability. However, governance reforms have also been criticised for potentially leading to impoverishment of “traditional concepts of public accountability and the rise of new magistracy” which may deter downward accountability and neglect the interest of the local community (Ferlie et al., 1995, p. 377). Ferlie et al. (1995) conclude that the corporate governance reforms in the NHS have, to some extent, indicated greater effectiveness in terms of management commitment by allowing management to take more roles in strategic matters, and that the NHS trusts have shied away from the traditional rubber stamp model.

However, continuing dominance in terms of appointment of the senior management may pose great problems if no or less consideration is being taken regarding the importance of “interpersonal and influencing skills” of the people being appointed, rather than “command control skills” that have become a norm in the past (Ferlie et al., 1995, p. 390). The problem of downward accountability in the National Health Service requires further attention. Greater emphasis is placed on upward accountability, as managers are interested in safeguarding their positions in the organisation. Ferlie et al. (1995) argument is consistent with that of Subramaniam et al. (2013) who emphasise that downward accountability should not be taken lightly at the expense of upward accountability.

2.2.5 Why is public governance reform important?

Academics, practitioners and the public have placed great interest in the reform of public governance (Goddard, 2005) and have demanded for accountability and transparency to be practised to achieve good governance and meet expectations of all stakeholders.

A number of accounting studies have debated the importance and effectiveness of public sector governance reform, either globally (Martinez Lucio, Steijn, & Leisink,

2007; Muniesa & Linhardt, 2011; Newberry, 2013) or in the context of the UK (Broadbent & Laughlin, 1997, 1998; Humphrey & Miller, 2012). Researchers generally argue that the governance reform in public sector organisations is for economic reasons. Hood (1995, p.97) states that many commentators perceive the new public management reform as being linked to seven dimensions of change: (1) shift towards greater *disaggregation* of public organisations into separately managed ‘corporatized’ units for each public sector ‘product’; (2) greater competition between public sector organisations and the private sector; (3) adoption of private sector style management within public sector organisations; (4) efficient utilisation of resources; (5) elimination of bureaucracy in public sector governance; (6) focus on performance measurement system; and (7) greater control over the governance of the public sector by using a specific performance measurement system.

Furthermore, past corporate failure and fraudulent activities have led to more aggressive calls for public sector reforms in the public sector organisations. The reform was intended to improve transparency and accountability in using public money, in addition to providing better services to the public. This factor is consistent with the views of Ezzamel & Willmott (1993) who suggest that the national economy has consistently under-performed because of the culture of being too dependent on government, in addition to undisciplined and inefficient public expenditure. Market-based governance (Ezzamel & Willmott, 1993) which resembles the private sector mode of governance, was considered to be more efficient.

The next section discusses the models of public sector governance, the ideology that underpins these models, and their strengths and weaknesses.

2.3 Models of public sector governance: Public sector reforms

Over the past few decades, governments across the globe have used public administration, new public management and network methods of governance to direct and control public sector organisations (Osborne, 2006, 2010; Osborne & McLaughlin, 2002). Table 2.1 summarises the key features of these three main methods of governance in the public sector. Further discussion regarding these models follows next.

Table 2. 1: Key features of the main methods of public sector governance

	<i>Traditional public administration (PA)</i>	<i>New public management (NPM)</i>	<i>Network or partnership governance (NG)</i>
Ideology	State leadership and control of public services through state ownership and monopolies – state knows best the interests of citizens.	Notions of private sector efficiency and customer-oriented market-based approaches to serving the needs of citizens.	Citizens’ needs are best served through citizens’ involvement in public services, by forming alliances with stakeholders.
Focus of governance processes and mechanisms	Inputs; self-regulation by the state.	Inputs and outputs relationships; use of performance measures and targets; public agency relationships.	Outcomes; addressing key public concerns through engagement.
Public sector managers’ roles and responsibilities	Bureaucratic administration of rules and procedures; state responsibility and control; greater reliance on expertise of public servants.	Reporting on performance objectives and targets; greater individual and organisational responsibility; managers have flexibility over means.	Managing networks; shared or collective responsibility; greater public dialogue.

Source: Author’s own

2.3.1 Public administration model

Public administration (PA) is concerned with centralisation of government policies and programmes while the officials are responsible for their own conduct. Prior to 1980, the PA which was based on Weberian ideals of bureaucracy (Weber, 1978), was commonly used to direct and control public sector organisations (Hood, 1995). Governance processes were hierarchical and goal-oriented with accountability flowing up the chain of command and directives from the government flowing down. Governance processes were characterised by impersonal rules that define duties, responsibilities, procedures and conduct. Public servants were recruited on the basis of their professionalism and qualifications, rather than other ascribed criteria such as interpersonal skills (Weber, 1978). Within this paradigm, the government, as a representative of the citizens, had significant autonomy and control over public services, and enacted relevant laws and regulations to govern the provision of public services. Managers in the public sector were expected to comply with bureaucratic rules and regulations to discharge their political and legal accountability (Almquist et al., 2013; Osborne, 2006).

The PA is rule-based and subject to government’s monitor and control (Stoker, 1998). Because of this nature, government officers were expected to be responsible for

their conduct. The rule-based approach was expected to improve the quality of products and efficiency in delivering services to the public and eliminate corruption (Stoker, 1998). For example, in the USA, the PA model has evolved since the 18th century to curb corruption activities within the organisations, and has helped in restoring trust from the people. Under PA, efficiency was achieved by delegating tasks to staff and government administrators. They were expected to follow pre-determined procedures, rules and regulations (Stoker, 1998). The perceived effectiveness of administrators was measured through regular election/re-election, parliamentary debate and oversights (Ostrom & Ostrom, 1971).

In the UK, PA helped improve public services which private and charitable organisations failed to deliver efficiently and effectively (Osborne & McLaughlin, 2002). Duplication and fragmentation of services that the private and charitable organisations offered have led to failure, which prompted the government to take over in order to meet the needs of its populations (Osborne & McLaughlin, 2002). Citizens placed their votes and would select political parties for their constituency that were expected to provide services effectively to the public. Accountability was demonstrated through elected political representatives who could exercise their oversights or concerns on behalf of their constituency. Downward accountability (from the elected leader to the constituency) may mean the “distribution of power between the leader and its constituency” (Kilby, 2006, p. 954). However, meeting multiple demands of stakeholders from different backgrounds has proven to be difficult with the scarce resources that were available (Mulgan, 2000).

The PA model was criticised for being highly bureaucratic, inefficient and ineffective (Behn, 1998). The ideology promoted a welfare system that took care of the citizens “from the cradle to the grave”, and thus led to an expanding public sector expenditure (Osborne & McLaughlin, 2002, p. 8). Osborne (2006, p. 378) suggests that one of the criticisms of PA that has paved the way for the NPM was its failure as a disciplinary tool and that it had “become a ‘bystander’ to the practice of public administration and management”. In the context of the UK, PA was perceived to be lagging behind other countries such as Canada, Australia, the United States, New Zealand and Finland in terms of meeting the expectations of stakeholders (Accenture, 2008). It was imperative for PA to place priority on multiple stakeholders and citizens for efficient and effective service. These main factors are the reasons that have led to the introduction of NPM, which is further discussed in the next sub-section.

2.3.2 New public management

In the early 1980s, Margaret Thatcher's government proposed NPM as a panacea to cure the ills of public administration (PA) (Behn, 1998; Broadbent, 2007; Hood, 1991; Lapsley, 2008). The condescending mind-set regarding the efficiency of the private sector has led to a wave of privatisation of public utilities and adoption of private sector management practices. The NPM model emphasised on a greater accountability for results and performance compared to traditional forms of accountability for rules and procedures under the PA (Broadbent & Laughlin, 1998). Less emphasis was placed on the roles of the public servants and professionals in the public service delivery process, and greater reliance was placed on market mechanisms, key performance indicators (KPIs) and targets (Almquist et al., 2013; Barretta & Busco, 2011; Lapsley, 2008). Competition between service providers was expected to result in more efficient use of resources and better quality of services for users, which was lacking in the PA era.

NPM ideology was an attempt to translate managerial ideas by following the privatisation style into public sector organizations. Its aim was to allow more services to be contracted out to private sector organisations, and to encourage competition among service providers (Cheung, 2013; Ezzamel & Willmott, 1993). Based on a number of reviews on some public sector organisations, reports have favoured a shift towards "market disciplines of resources allocation" (Ezzamel & Willmott, 1993, p. 115). However this strategy is perceived to be driven by profit maximisation and ignores ethics elements that have been long associated with the public sector organisations. For example, although the process of open tendering of public service into private sector organisations may have led to transparency and accountability, it has resulted in redundancy or employees being offered jobs at lower wages and on less favourable employment terms and conditions (Ezzamel & Willmott, 1993).

Clatworthy, Mellett, & Peel (2000) suggest that the introduction of NPM was aimed at using the market as a means of distributing resources to manage accountability. They further claim that this model was being translated from "private sector modes of organisation and governance from the private to the public sector in the UK economy" (Clatworthy et al., 2000, p. 166) because of demand by certain groups who justified that "market-based transactions provide a more rational, more efficient basis for economic organisation than those regulated by 'hierarchical and clan' forms of governance" (Ezzamel & Willmott, 1993, p. 109). This model may be able to identify the cause and effect of poor economic performance, and bring in some solutions for improving public

sector services. To some extent, the NPM was perceived as an attempt to “remodel the public sector using private sector role models” (Ferlie et al., 1995, p. 376). In the international arena, academics and practitioners believed that the rise of NPM that has emerged from developed to developing and transitional countries was a result of the new global paradigm in the public management (Kapucu, 2007).

In contrast to the PA, NPM uses a performance-based mechanism to determine whether an organisation achieves its target (Kloot, 2009). The level of effectiveness and achievement was compared against a pre-determined set of key performance indicators which may subsequently be used for determining an organisation’s performance (Broadbent, 2007). The underpinning idea was that managers were expected to prioritise the organisation-clientele relationship by providing services that meet the specific needs of their customers (Stoker, 2006). Open league tables and rankings were often used by public sector organisations in the UK, such as schools, universities, hospitals, museums and art galleries to measure the effectiveness of their service delivery. The fact that many stakeholders are involved in account-giving relationships (Koppell, 2005; Stewart, 1984) leads to an issue of questioning how effective the NPM paradigm is in its attempt to improve efficiency in service delivery and accountability towards multiple stakeholders.

The proponents of NPM claim that it may have led to greater transparency and increase scrutiny in public spending (Lapsley, 2008). Transparency was perceived as a tool to promote public accountability and improve public trust (Koppell, 2005). The idea of market-based contracting was perceived to be an attempt for cost-minimisation, as a way to increase competition that will consequently reduce transaction costs through agents-market interface and as an alternative to eliminate inefficiency in the public spending. Market competition encourages the organisations to improve their service quality. Efficiency can be achieved through proper accounting systems. For example, Groot and Budding (2008) suggest that the idea of replacing traditional cash accounting to accrual accounting principles enhances transparency and increases accountability of state and non-profit organisations. They argue that this idea enables identification of the full cost of activities which will lead to better decision making and enhances performance.

However, a number of researchers have criticised the effectiveness of NPM by arguing that there was no clear evidence that this model has actually improved public sector accountability (Broadbent & Laughlin, 2003; Gendron, Cooper, & Townley, 2001). The NPM, which is grounded in neoliberal ideology and as such, adopts a narrow utilitarian worldview, could not effectively meet the expectations of multiple

stakeholders. Moreover, private sector control may prioritise profit maximisation objectives and lead to exploitation of workers and users of public services. For example, the transfer of public services to private sector organisations has resulted in redundancy or public sector employees being offered a less favourable contract when transferred to the private sector (Khadaroo, 2014). Moreover, a number of studies have questioned the risk transfer and value for money arguments used to justify public-private partnership programmes (Shaoul, Stafford, & Stapleton, 2006; Shaoul et al., 2012). In addition, Farnham and Horton (1996) claim that the NPM has failed to achieve its objective, whilst Hood and Jackson (1991) argue that the NPM is a disaster. It is claimed that this failure can somehow be replaced by the network or partnership governance.

An alternative paradigm, the network or partnership governance, is discussed in the following sub-section.

2.3.3 Network or partnership governance

The idea of network or partnership governance (NG) has taken centre stage in the literature, to address the weaknesses of NPM (Ferlie et al., 2013; Stoker, 2006). NG has been advocated to deal with a complex and dynamic environment, and to deal with uncertainty surrounding the provision of public services (Stoker, 2006).

NG has been advocated for two main reasons. Firstly, societies have changed and become more demanding, and therefore changes are required from the PA model which was too bureaucratic and hierarchical in nature (Klijn, 2012; Osborne, 2010). Secondly, the introduction of NPM to replace the PA model was considered as ineffective in its attempt to improve public services. Stoker (2006) suggests that “the narrowly utilitarian character of new public management” has led to the introduction of NG. The NG model includes a decentralisation of power, an increased number, role and influence of partisan-political staff and is a network theory paradigm (Ferlie, Ashburner, Fitzgerald, & Pettigrew, 1996) that focuses on multi-organisational, networking and consolidation issues (Almquist et al., 2013).

Klijn (2012) argues that the main distinction between NPM and NG is that NPM is more hierarchical based, while NG stresses the interdependent horizontal relationship. However, Almquist et al. (2013, p. 4) argue that the governance networks were not actually completely horizontal “because actors have different resources and these cause inequalities in the relations through asymmetrical resource dependencies, while formal contracts between various layers of government levels, for instance, create some vertical

relationships”. Inter-organisational partnership between the state, private sector, and non-governmental organisations has the potential to meet the expectations of multiple stakeholders through dialogue and developing good relationships (Osborne, 2006). In an inter-organisational partnership, the accountability relationship is multiple and flows upwards (to the government and regulator), horizontally (to customers, collaborators and employees), downwards (to the public), and from the organisation towards its employees (internal accountability). Assessment of efficiency and effectiveness would involve all the stakeholders in the accountability relationship (Stoker, 2006).

Unlike NPM, NG focuses on service processes and the outcomes from various networking actors and is based on trust and relationships (Osborne, 2006). Within this paradigm, the state has limited power as there are various networks of actors which have some degree of autonomy. Wider society and stakeholders may participate to form a collective and bottom-up decision making approach through networking (Stoker, 2006). Osborne (2006) argues that NG provides a coherent conceptual framework for developing a new theory that informs the practice of the public administration management in the twenty-first century. This ideology is perceived to be more suitable to face the existing world where the environment has become complex, hostile, and dynamic and requires change most of the time. Dialogue, trust and interdependencies are some of the essential ingredients for building effective alliances and networks (Eggers & Goldsmith, 2004). Communication and discussion are vital in developing new ideas, seeking opportunities, learning from one another, and sharing resources for public good (Osborne, 2006, 2010).

Osborne (2006) argues that NG can provide a framework to develop a theory that can inform the practice of public administration and support the evaluation of the public policy evolution. NG combines the strengths of PA and NPM by recognizing the relationship of both policy making and implementation processes. In contrast to the PA and NPM, NG seeks to centralise the management challenge and steers towards public value, rather than confining politics. NG encourages stakeholders’ participation and third sector provision of social services, and hence, makes it more relevant in the complex world (Ferlie et al., 2013; Pestoff, 2011). The network governance, cooperation and co-production offer better alternatives than privatisation because they facilitate active participation among the society and stakeholders in the governance processes (Osborne, 2006, 2010). Communication and discussion are vital in developing new ideas, seeking opportunities and learning different things that the NG may offer. Stoker (2006, p. 41)

suggests that managers need to “manage through networks, to be open to learning in different ways, and to draw in resources from a range of sources”.

Shared responsibility under a network form of governance may make it relatively difficult to hold a specific party accountable than under PA and NPM (Eggers & Goldsmith, 2004). In addition, imbalances in power relationships and resources may result in some participants controlling and influencing the partnership and network to their advantage. Public governance has to be able to overcome some challenges to achieve their objective in providing efficient and effective public services. Challenges may arise from various factors – internally, they may be due to difficulties in designing and implementing appropriate performance management framework; externally, they may be due to the difficulties in meeting and balancing the needs and expectations from various stakeholders.

The next section discusses the governance of MAGs by drawing from prior literature.

2.4. The governance of MAGs

The MAGs have undergone significant upheavals since the past decades due to stakeholders’ changing demands and expectations, mostly from those in power and those who place significant interests in them (McPherson, 2006). Historically, only a relatively small proportion of people had the opportunity to visit and enjoy the facilities and services provided by these organisations (Bourdieu, Darbel, & Schnapper, 1990). The group, mostly the elites kept their collections of arts and artefacts for themselves. McCall and Gray (2014, p. 20) argue that the idea of making the MAGs as “cultural authority” has only benefitted a narrow social group that dominated how these organisations should be managed. This strategy, which has been perceived to be too passive, only satisfied the needs of a small proportion of stakeholders and did not serve the purpose of providing services to the wider society (Caldwell, 2002). Instead of being exclusive to certain groups of people, the MAGs should be more inclusive to demonstrate social accountability and responsibility, and become agents of social change (McCall & Gray, 2014).

A number of calls have been made (Caldwell, 2002; Christensen & Ebrahim, 2006; Lindqvist, 2007, 2012) for MAGs to be more responsive and sensitive to the needs of wider society, and to provide greater transparency when using public money. Lindqvist (2007, 2012) argued that MAGs should pursue a more managerial approach by adopting

business skills in finance, marketing and human resources if they are to flourish and be able to survive in the complex world. As a centre of “preservation, conservation, presentation, investigation and public enjoyment of the world’s collections and cultural values”, Carnegie and Wolnizer (1996, p.85) state that MAGs should be innovative, utilise digital technologies and information, and compete at the international level to ensure their long-term survival. Furthermore, they were expected to be able to provide world-class services by offering free and inspiring places and exhibitions to visit and learn about cultural, heritage and religious differences among the population (*ibid.*). Transparency is a key component of accountability, as MAGs are expected to report on the achievement of their objectives, key activities, financial affairs and governance. In the context of the USA, Christensen & Mohr (2003, p. 155) argue that contributors or donors are the main stakeholders of museums who would “still need to make resource allocation decisions and assess how well managers are utilising their contributions” although these stakeholders do not receive a monetary benefit for their investment.

In the case of Sweden, Lindqvist (2012) suggests that the governance and public sector reforms have changed the management style of cultural and arts organisations. These reforms have led to decentralisation that aimed to improve efficiency and effectiveness. However, decentralisation has the unintended consequence of increasing public spending because of the fragmentation of responsibility among officers and compliance reporting. Moreover, Lindqvist (2007) finds that public sector reforms have created management problems in the arts sector, particularly during the era of austerity, because government has reduced its budget allocation. Reduction in funding has forced art organisations to find alternatives to increase income.

In the context of Italy, Ferri & Zan (2014, p. 369) share similar views with Lindqvist (2012) that the introduction of decentralisation and ‘managerialisation’, underpinned by the new public management ideology, has raised “a plurality of issues that need to be addressed in order to understand which dimensions call for autonomy and managerial attention”. Furthermore, the cultural sector has faced increasing demand from government, non-government sponsors and private/individual donors who fund these organisations to be more accountable and provide value for money services (Zan, 2002). Funders expected them to provide alternatives to stimulate the economy through tourism activities, job opportunities and development of urban areas. Ferri & Zan’s (2014) argument is consistent with that of Zan (2002) who suggests that the funding these organisations receive can be cut if they do not perform. Ferri & Zan (2014) argue that the

accountability pattern which focuses on the external and is top-down is the result of NPM reform which stresses the use of performance measurement to improve efficiency and effectiveness (Zan, 2002). Tlili (2014) states that performance management allows for the development of organisational culture through the creation of public understanding of academic, research, arts, science and other studies, in addition to international recognition. However, as a “technology of governance that is oriented towards producing a certain type of professional self”, it can encourage competition which can somehow create organisational disintegration and tension (Tlili 2014, p.173).

Whilst MAGs can overcome some problems and survive, they are exposed to threats, pressures (McCall & Gray, 2014) and tensions (Lindqvist, 2012) which can deter them from making their services better in the long-term. Museum staff are expected to demonstrate the highest standard of work to help the MAGs achieve the status of “generators of the wellbeing” (McCall & Gray, 2014, p. 27). Consequently, this expectation affects the morale of the staff who may feel pressure to perform well in order to satisfy their managerial accountability towards the senior managers and downward accountability towards the public. Tension may arise when “financial pressure is combined with increasing demand for visible performance and compliance with political priorities and competition for funds with for-profit and other non-profit organizations within the same field” (Lindqvist, 2012, p. 23). Lindqvist raised concern because not many studies have been done with regards to art organisations, although in practice they “have come under increasing pressure by their principals, in recent years, to adhere to norms of effectiveness and efficiency” (Lindqvist, 2012, p. 9).

In summary, prior studies have raised important questions regarding the governance and accountability of MAGs in various empirical settings. The main issues were: the changing roles of MAGs; the implications of NPM reforms on accountability; appropriateness of the reforms in relation to their cultural values; the role of accounting and performance management in enabling accountability; the challenge of reconciling multiple and often conflicting accountability expectations; and funding constraints, among others.

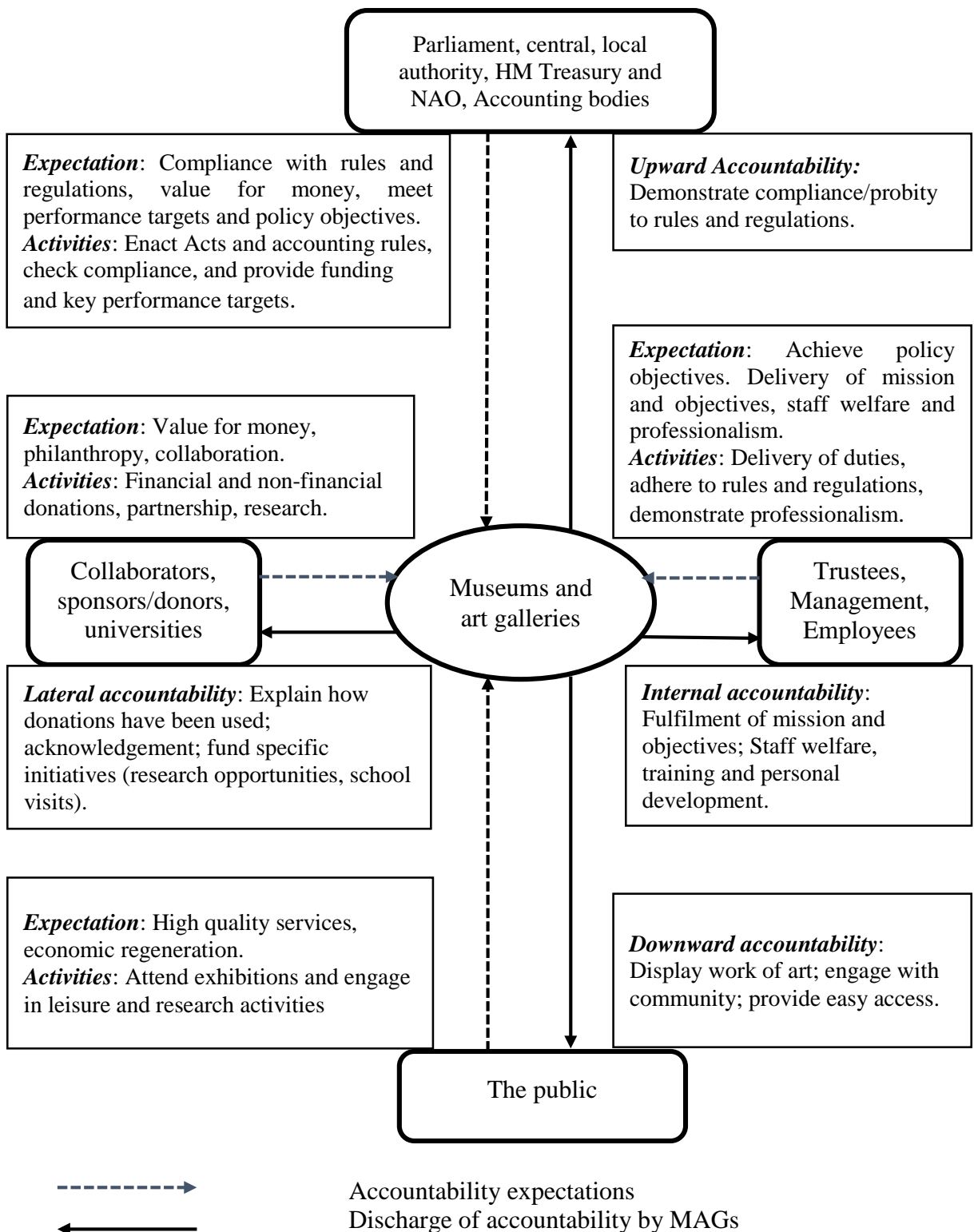
The next section develops a skeletal framework for understanding the accountability expectations of the main stakeholders of MAGs.

2.5 Accountability expectations of key stakeholders

MAGs may be conceived as a nexus of relationships among multiple stakeholders who have specific interests and expectations. A good governance structure is expected to steer MAGs to facilitate the achievement of their objectives, enable them meet the accountability expectations of their principles in an efficient and effective manner, and reduce the potential conflict and moral hazards (Osborne, 2010).

Figure 2.1 provides an overview of the main stakeholders involved in the governance of MAGs, their accountability expectations and how the MAGs discharge their accountability.

Figure 2. 1: Governance of UK national MAGs and stakeholders' expectations



Source: Author's own

The UK government is the main funder of national MAGs and expects them to use the funds to deliver on the key performance criteria specified in the funding agreement. These organisations are expected to comply with the rules and regulations and meet the key performance targets issued by the DCMS. Failure to meet the targets or expectations may result in the MAGs being penalised. As will be discussed in more detail in Chapter 3, in a Foucauldian sense, penalty (or punishment) is a process to *normalize* the behaviour of an individual (Foucault, 1991a). The MAGs are also expected to provide accounting information, annual reports and key performance indicators to the Parliament as a means for the government to discipline and monitor them. Furthermore, these reports are governance mechanisms for MAGs to discipline and govern themselves. Accountability is predominantly political and managerial, and flows upward from the MAGs to the parliament, local authority, National Audit Office and accounting bodies (Hodges, 2012).

Laterally, MAGs are accountable towards their non-government funders, universities and schools that are involved in the activities they undertake. The activities may include: partnerships or joint ventures with other similar organisations; financial or non-financial sponsorship from the sponsors; philanthropic and charitable donations; research collaboration with universities; and educational activities with schools and young children. In return, MAGs are expected to deliver value for money. For example, sponsorship from sponsors may involve (explicit or implied) agreements that MAGs would use the funds or works of arts donated or loaned in the manner sanctioned by the sponsors. The sponsors may require MAGs to fund specific initiatives (e.g. social inclusion, engagement with minorities, educate children, and funding of research (marketing)), which may create internal pressure and affect the ways they are managed and controlled.

Internally, MAGs are accountable towards their own employees (full/part time employees and volunteers) and in fulfilling their own missions and statements. Employees can be considered as an asset of an organisation that helps with the strategic and daily operations to ensure long-term survival of the organisations and the country's economic regeneration. The MAGs are expected to ensure staff's welfare and personal development through training, incentives and creation of professional and social relationships. Training improves employees' skills, experience and expertise that helps enhance the organisation's service quality. Through internal policies and codes of ethics, employees are monitored and guided to increase self-discipline and professionalism, in which this attitude will be internalised and becomes the norms and practices in their

actions. Employees are expected to contribute towards the organisations' operation and ensure that codes of ethics and disciplines are adhered to. In this sense, employees and organisations are accountable to each other. Thus, MAGs are laterally accountable to their employees (and volunteers).

Finally, MAGs have downward accountability in terms of providing access to display arts and exhibitions to the public, and engaging with the wider community through social inclusion programmes. The funding from government indirectly comes from the general taxpaying public. The nature of MAGs' operation which is categorised as undertaking charitable activities, enables these organisations to be exempted from corporation tax under Section 505, the Income and Corporation Tax Act 1988 (Museums and Galleries Act, 1992). Corporate donors are exempted from paying tax for the amounts they donate to MAGs. Visitors also give small amounts of voluntary donations (at the entrance) and help these organisations generate income by purchasing souvenirs and food at the cafés. In return, the MAGs are expected to provide high quality services and advance economic regeneration through employment opportunities, advancement of skills (e.g. through informal educational activities), and dissemination of valuable knowledge through opportunities for research and education.

External and internal governance structures enable MAGs to discharge their accountability and demonstrate probity by explaining how funds have been expended to meet objectives and expectations (Romzek, 2000). Regulators and the government are responsible for setting up a good governance framework to minimise the problems of moral hazard, goal incongruence and information asymmetry in the accountability relationships between the MAGs and their stakeholders. The external governance structure comprises Parliamentary watchdogs (e.g. the National Audit Office and the Committee of Public Accounts) and HM Treasury. The National Audit Office scrutinises the internal control and risk management processes of MAGs and the MAGs' financial statements to determine whether they have achieved value for money from the use of funds in pursuing their policy objectives.

In summary, national MAGs have the challenging responsibility of fulfilling the expectations of multiple stakeholders.

2.6 Conclusion

This chapter has reviewed the concept of governance and its relationship with accountability. The chapter also discussed governance in the private and public sector

organisations and the implications for accountability. Three forms of public sector governance, the PA, the NPM and the NG, were discussed. The literature review of public sector governance in general and the governance of MAGs in particular has inspired the research questions. Accountability is possible only when individuals and organisations can be assessed against aims and purposes. Therefore, central to an understanding of the governance of UK national MAGs is identifying their purpose in modern society (Research question 1). As public sector bodies, MAGs are accountable to government. The literature review has shown that we do not at present have satisfactory answers to the questions of: how and why the government controls the MAGs (Research question 2); how do MAGs govern themselves to discharge their accountability (Research question 3) and; what key governance challenges and tensions do MAGs face? (Research question 4). This PhD research endeavours to provide answers to these important and interesting questions.

Public sector governance has faced some stages of transition over the past decades to improve public services and adopt private sector practices. A number of corporate collapses in the early 2000s led to numerous calls for governments to intervene and undertake reforms of governance in the private sector, and these reforms had an impact on public sector governance. The NPM ideology which emphasises performance-based targets and is based on the idea of private sector organisations was expected to improve efficiency and effectiveness in the public sector organisations, including the MAGs. However, governance in the public sector organisations, such as the MAGs, is challenging because of multiple stakeholders that have to be considered. The stakeholders have different expectations and interests that may conflict with each other. The government, as the main funder of MAGs, expects these organisations to undertake activities and govern themselves appropriately to achieve the government's aspirations.

This chapter has provided a broad understanding of the concept of governance and its implications for accountability by drawing from a wide range of prior literature on public sector governance and accountability. The chapter has also examined the general literature on the governance of MAGs. The concept of governance will be further discussed in the next chapter by drawing from Foucault's work on governmentality. The term 'governmentality' refers to the 'art of governing', that is, how to govern and why, who governs and whom to govern. The next chapter will also develop a theoretical framework to provide a specific understanding of the governance of UK national MAGs using a Foucauldian lens.

CHAPTER 3

A theoretical framework for understanding the governance of UK MAGs

These are the ontological positions of Foucault's genealogy project:

“First, a historical ontology of ourselves in relation to truth through which we constitute ourselves as subjects of knowledge; second, a historical ontology of ourselves in relation to a field of power through which we constitute ourselves as subjects acting on others; third, a historical ontology in relation to ethics through which we constitute ourselves as moral agents” (Foucault, 1997a, p. 262).

3.1 Introduction

To provide context to this PhD thesis, chapter 2 has presented a literature review to clarify the concept of governance; discuss governance in the context of public sector organisations; discuss three models of public sector governance i.e. PA, NPM and NG; identify key issues and challenges in relation to governance; and, present a skeletal framework for understanding the means-ends relationship between governance and accountability.

This chapter develops a theoretical framework for understanding the governance and accountability of UK national MAGs by drawing from Foucault's work on governmentality and prior studies which have used Foucault's work. The theoretical framework theorises the outworking of Foucault's power/knowledge relationship and panopticon lens (comprising of *hierarchical observation, normalization judgement* and *examination*) to discipline behaviour. This chapter is organised as follows. Section 3.2 explicates the key concepts of government and governmentality by drawing from Foucault's prior work on governmentality. Section 3.3 discusses the genealogy of governmentality. The discussion is based on Foucault's preceding works on *“The Archaeology of Knowledge (1969)”* and *“Discipline and Punish: The Birth of the Prison (1975)”*. Section 3.4 discusses prior literature that has used Foucault's concept of governmentality. Section 3.5 provides a discussion of the theoretical framework which is developed, in order to provide understanding of the power/knowledge relationship in governing UK national MAGs. Section 3.6 concludes this chapter.

3.2 Clarifying the concepts of government and governmentality

Foucault (1994a, p. 211) defines government as “a right manner of disposing things so as to lead not to the form of the common good, as the jurists' texts would have said, but to

an end that is "convenient" for each of the things that are to be governed." He further states the meaning of 'one governs things' as:

"I think this is not a matter of opposing things to men but, rather, of showing that what government has to do with is not territory but, rather, a sort of complex composed of men and things. The things, in this sense, with which government is to be concerned are in fact men, but men in their relations, their links, their imbrication with those things that are wealth, resources, means of subsistence, the territory with its specific qualities, climate, irrigation, fertility, and so on; men in their relation to those other things that are customs, habits, ways of acting and thinking, and so on; and finally men in their relation to those still other things that might be accidents and misfortunes such as famine, epidemics, death, and so on" (Foucault, 1994a, pp. 208-209).

Foucault used the ship as a metaphor of understanding the relationship between 'government and things':

"What does it mean to govern a ship? It means clearly to take charge of the sailors, but also of the boat and its cargo; to take care of a ship means also to reckon with winds, rocks, and storms; and it consists in that activity of establishing a relation between the sailors, who are to be taken care of, and the ship, which is to be taken care of, and the cargo, which is to be brought safely to port, and all those eventualities like winds, rocks, storms, and so on. This is what characterizes the government of a ship" (Foucault 1994, p. 209).

The objective of government is "to ensure that the greatest possible quantity of wealth is produced, that the people are provided with sufficient means of subsistence, that the population is enabled to multiply, and so on" (Foucault 1994, p. 211).

Foucault conceives patience, wisdom and diligence to be characteristics of the good governor. He argues that to enable the exercise of power one must "must have patience rather than wrath" (p. 212). Wisdom is understood as "the knowledge of things, of the objectives that can and should be attained, and the disposition of things" whereas diligent is the "principle that a governor should only govern in such a way that he thinks and acts as though he were in the service of those who are governed" (*ibid.*). Foucault cites an example of a good governor as the "head of the family who rises first in the morning and goes to bed last, who concerns himself with everything in the household because he considers himself as being in its service" (*ibid.*).

Rose & Miller (1992, p. 183) state that "government is a domain of strategies, techniques and procedures through which different forces seek to render programmes operable, and by means of which a multitude of connections are established between the aspirations of authorities and the activities of individuals and groups"(Rose & Miller, 1992, p. 183). These include legal institutions, public sector organisations and non-

governmental institutions. In democratic countries, political parties that form a government are elected by the citizens through general elections; hence they represent the people from their own constituents and are accountable to the latter. Rose and Miller (1992, p. 175) define government as “the historically constituted matrix within which are articulated all those dreams, schemes, strategies and manoeuvres of authorities that seek to shape the beliefs and conduct of others in desired directions by acting upon their will, their circumstances or their environment”. Dean (1999, p. 11) defines government as “any more or less calculated and rational activity, undertaken by a multiplicity of authorities and agencies, employing a variety of techniques and forms of knowledge, that seeks to shape conduct by working through desires, aspirations, interests and beliefs, for definite but shifting ends and with a diverse set of relatively unpredictable consequences, effects and outcomes”. The ‘multiplicity of authorities and agencies’ may refer to the various forms of governmentality, for example, punishment, counselling, administration, education and so forth, that is usually undertaken by authorised authorities such as regulators, police and legal entities. To govern is to “structure the possible field of action of the others” (Foucault, 1982, p. 790). Rose & Miller’s (1992) and Dean’s (1999) definitions of government are consistent with Foucault’s (1982) definition, in the sense that they have extended the definition to include power, knowledge, conducts, agents and structure. Whilst a governor (e.g. minister, monarch, emperor, king, prince, among others) governs, the term ‘government’ may be defined “as a right way of arranging (*disposer*) things in order to lead (*conduire*)...to a “suitable end”” (Foucault, 2007, p. 99).

The term governmentality is a combination of the words *govern* and *mentality*. This term was coined by Michel Foucault (Foucault, 1991a) and refers to the ‘art of governing’ or ‘knowledge of governing’ and the ‘how of governing’ (Foucault, 1978, 1991b; Rose, O’Malley, & Valverde, 2006). Foucault conceives that the art of governing is comprised of: “the art of self-government, which is connected with morality; the art of properly governing a family, which belongs to economy; and, the science of ruling the state, which concerns politics” (Foucault, 1994, p. 206). The purpose of the art of governing is to create an upward and downward continuity. Upward continuity means “a person who wishes to govern the state well must first learn how to govern himself, his goods, and his patrimony, after which he will be successful in governing the state” (Foucault, 1994, p. 206), whilst downward continuity means “when a state is well run, the head of the family will know how to look after his family, his goods, and his patrimony, which means that individuals will, in turn, behave as they should” (Foucault, 1994, p. 207). Foucault termed

downward continuity as ‘police’ – which means to create good behaviour or good governance. Foucault states that downward line “which transmits to individual behaviour and the running of the family the same principles as the good government of the state, is just at this time beginning to be called "police"” (*ibid*). Thus, the art of governance is mainly concerned with “answering the question of how to introduce economy-that is to say, the correct way of managing individuals, goods, and wealth within the family (which a good father is expected to do in relation to his wife, children, and servants) and of making the family fortunes prosper-how to introduce this meticulous attention of the father toward his family into the management of the state” (Foucault 1994, p. 207).

Foucault (2007, p.144) conceives the concept of governmentality as the “ensemble formed by institutions, procedures, analyses and reflections, calculations, and tactics that allow the exercise of this very specific, *albeit* very complex, power that has the population as its target, political economy as its major form of knowledge, and apparatuses of security as its essential technical instrument”. Rose & Miller (1992) define governmentality as the knowledge and know-how of governing. Dean’s notion of governmentality is more general than that of Rose & Miller. Whilst Rose & Miller regard government as relating to how the state engages with the population, Dean regards government as relating to any situation where one group has an authority over another. Governmentality is thus concerned with the way people govern or are being governed and how they govern themselves by focusing on power and knowledge relations to create a disciplinary society in govern the population The term ‘disciplinary society’ is termed by Foucault (1994, p. 57) as “a form of power which is in contrast to penal societies”.

In the early renaissance, the state had started to become a modern administrative state that became concerned more with disposing of things, and so began to employ strategies and tactics to render the population governable. Flynn (2002, p. 163) suggests governmentality refers to the processes of regulating and disciplining the citizens without “direct or oppressive intervention”, but through action at a distance that enables them to transform their position themselves. Governmentality does not restrict analysis to political power of the state or institutions only (Foucault, 1978, 1991b, 2007), but is also concerned with “self-government relations with social institutions and communities” (McKee, 2009, p. 469). Moreover, governmentality not only encompasses ‘the art of governing’, but also deals with ‘the conduct of conduct’, i.e. the regulation (conduct) of behaviour (conduct) or how accountability conducts should be conducted (Dean, 2009; Foucault, 1991b, 2007; McKee, 2009). Conduct of conduct refers to a practice that shapes

and affects the behaviour or conduct of other person. Foucault (1982) suggests the term 'conduct' may sometimes be related to 'leading' the others through the possession of one's power to guide other's conduct (behaviour) and put things in good order. Bevir (2010, p. 423) refers the term 'governmentality' as "the conduct of conduct especially the technologies that govern individuals", in which the government and populations draw upon knowledge to create policies to regulate the state.

The concept of governmentality does not constrain itself to the knowledge and political power of the government, but also defines the art of governing as a conduct of conduct in broader terms (Foucault, 1991b, 2007; McKee, 2009). Most of Foucault's works were intended to create a history where human being are made subjects (Foucault, 1982) by examining certain techniques used by the people to understand themselves (Foucault, 1988). The use of technologies of the self allows the individuals to transform themselves into happy subjects through means of good thoughts and conducts.

Foucault (2007) suggests that as an object, people are directed through certain mechanisms of accountability in order to affect them, while as subject, people are called upon to conduct or behave themselves properly. However, not all people subscribe to the social contract and conduct themselves properly. Some may revolt in times of crisis, monopolise and maximise their wealth at the expense of others, violate the law, break the social contract, and become "a foreigner in his own land, consequently falling under the jurisdiction of the penal laws" (Foucault, 2007, p. 44). The technique of forces through law and order may create resistance, retaliation and protest from the population for reasons such as system breakdown and social and environmental disadvantages.

For the purpose of this study, the term governmentality is used to refer to an art of governing public sector organisations. It is concerned with the knowledge and know-how of introducing economy into political practice and involves devising appropriate governance mechanisms to facilitate account-giving relationships (Foucault, 2001). Governmentality may operate in overt or subtle ways to produce a governable subject.

The next section discusses the genealogy of governmentality by drawing from two of Foucault's prior works.

3.3 The genealogy of governmentality

Foucault's work on governmentality is a genealogy from his previous works. For the purpose of this thesis, his books entitled *The Archaeology of Knowledge* (1969) and *Discipline and Punish: The Birth of the Prison* (1975) will be discussed to critically

examine how these works contributed to the development of Foucault's work on governmentality.

3.3.1 Power and knowledge: The Archaeology of Knowledge (1969) and Discipline and Punish: The Birth of the Prison (1975)

The Archaeology of Knowledge was first published in 1969, discussing Foucault's methodological and historiographical treatises used in his earlier works. The main idea was that systems of thought and knowledge were rule-based and operate within an individual's consciousness in a particular time and space. Foucault (2002) states that knowledge can be obtained through multiple sources in any setting, and can be found in demonstration form, narrative accounts, reflection, fiction, regulations and decisions made by politicians:

One can speak in a discursive practice, and which is specified by that fact: the domain constituted by the different objects that will or will not acquire a scientific status...; knowledge is also the space in which the subject may take up position and speak of the objects with which he deals in his discourse....; knowledge is also the field of coordination and subordination of statements in which concepts appear, and are defined, applied and transformed...; knowledge is defined by the possibilities of use and appropriation offered by discourse (Foucault, 2002, p. 201).

Knowledge and power are intertwined. Foucault (1991b, p. 27) suggests "there is no power relation without the correlative constitution of a field of knowledge, nor any knowledge that does not presuppose and constitute at the same time power relations". Thus, knowledge can be used as a tactic for governing. Mills (2003, p. 69) notes a statement from Foucault acknowledging the connection between power and knowledge: "it is not possible for power to be exercised without knowledge, it is impossible for knowledge not to engender power". A person should be knowledgeable to be able to govern and to be governed. Knowledge can be broadly defined as an understanding of and conversance with facts, information and skills that are acquired through the learning process or experience about a subject matter. It may be acquired implicitly or explicitly in a formal or informal way.

Foucault also states that the "constitution of the knowledge (*savoirs*) of government is absolutely inseparable from the know-how (*appareils*) of the processes of government" (Foucault, 2007, p. 106). He argues that governmentality refers to the ensemble that is constituted by institutions, procedures, analyses and reflections, calculations, and tactics that enable the government to exercise power over the population

by using political economy as its major form of knowledge, and account-giving mechanisms as essential technical instruments. The techniques, tactics and knowledge of government are themselves a contested political struggle between philosophers (e.g. between the capitalist-based new public management and socialist-based public administration).

Foucault conceives power as a mechanism that “reaches into the very grain of individuals, touches their bodies and inserts itself into their actions and attitudes, their discourses, learning processes and everyday lives” (Foucault, 1980, p. 30). In his book entitled *Discipline and Punish: The Birth of the Prison*, which was first published in 1975, Foucault discussed how power was used in the earlier centuries and the changing phenomena that led to the emergence of the current disciplinary power. According to Foucault this shift was engendered by the epistemological change, the changes of the way how people think. Foucault (1991a) categorises power into: *sovereign power* and *disciplinary power*, where the methods of punishment are different.

Sovereign power, which was practised until the late eighteenth century, gave the king or queen an ultimate power over the people through forces of control and domination. Foucault suggested that torture (physical punishment) was used as a calculated technique to coerce the accused into telling the truth (which Foucault refers to as *parrhesia*). However, as time goes by people think differently, leading to the development of a new form of political power (Foucault, 1982). Hence, people raised their concern that torture and executions were inhumane and should be abolished. Protests from philosophers, theoreticians and professionals against public execution proliferated because they felt that it was necessary to recognise the humanity of the criminal. In the late eighteenth century, demand for changing to “punishment without torture” (Foucault, 1991a, p. 74) has turned the punishment method of staging public rituals of torture into a more formal way, through state intervention and enforcement of law to rationalise the action in the name of social justice. Foucault (1991a) suggested that this shift was caused by the increase in people’s wealth and the improved technique of punishment in combating crime and preventing wrongdoings. He called this shift “the shift from criminality of blood to the criminality of fraud” (Foucault, 1991a, p. 77).

Foucault explained that the ‘gentle way in punishment’ is a shift from the earlier sovereign and intervention modes which have been severely protested for power abuse at the lower jurisdiction level, in addition to the cruelty at the higher level:

The criticism of the reformers was directed not so much at the weakness or cruelty of those in authority, as a bad economy power. There was too much power in the lower jurisdictions, which could-aided by the ignorance and poverty of those convicted – ignore appeal procedure and carry out arbitrary sentences without adequate supervision; too much power on the side of prosecution, which possessed almost unlimited means of pursuing its investigations... (Foucault 1991, p. 79)

Foucault described ‘the gentle way in punishment’ as a method of administering the behaviour of the society, rather than focusing on punishing and reforming the criminal only. In other words, the punishment upon the criminal is used to deter other innocent people from becoming involved in crime through coercing their soul and making them become obedient. This ‘deterrent’ way of punishment is one way of disciplining and correcting the behaviour of people to deter them from breaking the law (Foucault, 1991a).

The state’s power is a combination of an individualising and totalising form of power (Preston, Chua, & Neu, 1997). Foucault (1982) argued this combination was caused by the integration of a new political shape and pastoral power. Pastoral power is a form of salvation power which requires the pastor/shepherd to seek salvation from the flock. This form of power aimed to ensure an individual’s salvation in the next life. Pastoral power is described as “a form of collectivizing and individualizing power concerned with the welfare of the ‘flock’ as a whole” (Rose, 2001, p. 9). In short, pastoral power is “salvation-oriented (as opposed to political power), ablativ (as opposed to the principle of sovereignty), individualizing (as opposed to legal power), coextensive and continuous with life and links with a production of truth – the truth of the individual himself” (Foucault, 1982, p. 783) .

In the last part of the *‘Discipline and Punish: The birth of the prison’*, Foucault discussed how disciplinary power was used as an alternative to the earlier methods of punishments. Rather than employing physical punishment, disciplinary power focused on different aspects of punishment, such as education and training processes. However, this does not mean that coercive practices and laws which were used during sovereign time were no longer being practised in the modern and democratic environment. The main idea of disciplinary power is to control other people and one’s self, and create ‘docility’ (Foucault, 1977, 1991b, 2007) through knowledge of the subject and employing relevant techniques/apparatuses (know-how). Foucault (1991, p.170) states that “discipline ‘makes’ individuals; it is the specific technique of a power that regards individuals both as objects and as instruments of its exercise”.

Foucault (1978, 1991b) views power as something that is exercised in a strategic manner, from different forms and angles, and within an institution, administration and family relationship, that dispersed throughout the wider society. Foucault (1982, p. 788) argues that power exists only “when it is put into action, even if it is integrated into a disparate field of possibilities brought to bear upon permanent structures”. Power does not act directly on the others; rather, it acts as a result of an action by others, from existing or future actions, or upon other actions (Foucault, 1991b, 2007; Rose & Miller, 1992). A power relationship is rooted within the social nexus, between the person who acts and the person on whom the power is being exercised upon, in an on-going process until the very end in which the power is being acted upon. Foucault (1982) claims that a power relationship exists only when the power is acted upon free subjects – there is no power relationship in the case of slavery because the slave is being physically constrained and has no freedom. He argues that where there is power, there is always “recalcitrance of the will and the intransigence of freedom” that come into play simultaneously (Foucault, 1982, p. 790). Violence as a result of resistance (Neu, 2000b; Neu & Heincke, 2004) and consent (Foucault, 1982), either one or both at the same time, always come into play from the act of power. Foucault (1982)’s analysis of power is based on the (1) systems of differentiations; (2) types of objectives; (3) means of bringing power relations into being; (4) forms of institutionalization; and (5) degrees of rationalisations. In modern society, the power relations have been “progressively elaborated, rationalised, and centralised in the form of, or under the auspices of the state institutions” (Foucault, 1982, p. 793).

One technique through which the power/knowledge relation is manifested and amplified is the panopticon mechanism, which is discussed in the next section.

3.3.2 Panopticon surveillance: Making subjects act at a distance

The panopticon was a metaphor used by Foucault to explore systems of disciplinary control and the power-knowledge relationship. He believes that power and knowledge can be achieved from observation. The concept of panopticism was discussed in Part 3 of *Discipline and Punish: The Birth of the Prison*. This concept originally came from an idea of Jeremy Bentham, who “programmed, defined, and described in the most exact manner the forms of power in which we live, and who presented a marvellous and celebrated little model of this society of generalized orthopaedics” (Foucault, 2001, p. 58). In the seventeenth century and later, the notion of the panopticon was one of surveillance – the ‘gaze’ used to observe and monitor prisoners that were placed in the

centre of the cell. Foucault (1991a, p. 200) stated that the architecture of the panopticon was “at the centre of a tower; this tower is pierced with wide windows that open onto the inner side of the ring; the peripheric building is divided into cells, each of which extends the whole width of the building; they have two windows, one on the inside, corresponding to the windows of the tower; the other, on the outside, allows the light to cross the cell from one end to the other”. The panopticon is a mechanism that facilitates exercise of power over subordinates within all types of institutions, such as hospitals, prisons, factories, schools and others, including cultural organisations. Figure 3.1 shows an example of a panopticon.

Figure 3. 1: An example of a panopticon



doug duBois & jim goldberg NYTimes 9-22-2002

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Foucault (1991a, p. 201) states two principles of panopticon as a means of disciplinary power to control the behaviour of prisoners: “Visible: the inmate will constantly have before his eyes the tall outline of the central tower from which he is spied upon; Unverifiable: the inmate must never know whether he is being looked at, at any one moment, but he must be sure that he may always be so”. Panopticon may be characterised as a “type of power that is applied to individuals in the form of continuous individual

supervision, in the form of control, punishment, and compensation, and in the form of correction, that is the transformation of individuals in terms of certain norms” (Foucault, 2001, p. 70). Systems to discipline and punish, such as police, law, regulation and the panopticon surveillance mechanism, involving putting someone in the centre of the machine of sovereign power, are required in order to monitor conduct. As Foucault (2007, p. 66) suggested, “panopticon is the oldest dream of the oldest sovereign” who wants to ensure that none of its subjects can escape or make their actions unknown. Perfection of the activities of individuals makes possible the perfection of the state.

Disciplinary power is exercised through the panopticon, by enabling the observer to watch or gaze “through shuttered windows or spy holes in such a way as to be able to see everything without anyone being able to see him” (Foucault, 2001, p. 58). The subject is therefore coerced to conduct himself properly because of the feeling that s/he is being watched, although the observer may not be actually watching (Foucault, 1978). Foucault (1991a, p. 201) states that “the major effect of the panopticon is: to induce the inmate a state of conscious and permanent visibility that assures the automatic functioning of power”. The design of the cell was to enable the guard to observe and monitor prisoners from the centre of the tower, whereas prisoners were not able to know when they were being watched.

The roles of panopticon are not limited to disciplining and punishing only, rather it includes monitoring the actions of people and *normalizing* them with the purpose of correcting their behaviour. The term ‘panopticon’ was used by Foucault as a metaphor for self-discipline, surveillance and control in modern society which focuses on “the idea of rehabilitating prisoners, as opposed to the idea of execution and torture as both a punishment of the individual criminal and a deterrent to others” (Olsson, 2010, p. 70).

Panopticon enables the creation of knowledge by the person exercising power through the process of *examination* and supervision (Foucault, 2001). The process of constant supervision enables constitution of knowledge as to whether the person has improved his behaviour. Foucault (2001, p. 59) states that this kind of knowledge is different from the inquiry type that was developed in the Middle Ages in the sense that the knowledge based on constant supervision and *examination* is “organized around the norm and through the supervisory control of individuals throughout their existence”. This form of knowledge is called human science. Panopticon is also perceived to carry out experiments and produce knowledge and results. For example, the effect of medicines can be assessed through monitoring and observing patients; the effectiveness of

conditioning prisoners' behaviour can be assessed by trying different types of punishment (Foucault, 1991a). The knowledge obtained from these experiments enables the exercise of power, as suggested by Foucault (1991a, p. 204), "thanks to its mechanisms of observation, it gains in efficiency and in the ability to penetrate into men's behaviour; knowledge follows the advances of power, discovering new objects of knowledge over all the surfaces on which power is exercised".

The panopticon is a model of how power is connected to our daily activities. It can be applied in many ways, places, time and space (for example, in schools, hospitals, factories, barracks, and police stations) to control the behaviour of the population from a distance. As Foucault (1991, p. 205) states: "It serves to reform prisoners, treat patients, instruct schoolchildren, to confine the insane, to supervise workers, to put beggars and idlers to work". Unlike Jeremy Bentham's idea of the panopticon, the modern type of surveillance has moved forward, mostly, in the form digital technology, such as CCTV, digital recording, traffic camera systems, emails and so forth. In modern society, these new technologies constantly supervise the population by monitoring and controlling behaviour from a distance.

3.3.3 Disciplinary power & the panopticon: Hierarchical observation, normalizing judgment and examination

Foucault (1991, p.170) states that "the success of disciplinary power derives no doubt from the use of simple instruments; *hierarchical observation, normalizing judgement, and their combination in a procedure that is specific to it, the examination*".

Hierarchical observation is "a mechanism that coerces by means of *observation*, an apparatus in which the techniques that make it possible to see induce effects of power, and in which, conversely, the means of coercion make those on whom they are applied clearly visible" (Foucault, 1991, pp. 170-171). *Observation* makes it difficult for the subject to misbehave because of the technique used that involved "multiple and intersecting observations, and eyes that must see without being seen using techniques of subjection and methods of exploitation" (p.171). Foucault (1991, p. 173) states that "the perfect disciplinary apparatus would make it possible for a single gaze to see everything constantly. A central point would be both the source of light, illuminating everything, and a locus of convergence for everything that must be known: a perfect eye that nothing would escape and a centre toward which all gazes would be turned". Moreover, observers from different levels in time and space share information about the subject being

observed. Foucault suggests that the emergence of science technology helps construct new way of observation from physical human observation into what is called “the major technology of the telescope, the lens and the light beam, which were an integral part of the new physics and cosmology” (Foucault, 1991a, p. 171).

The military camp was an exemplar used by Foucault to illustrate how *hierarchical observation* may work effectively and where power could function through the notion of the gaze. The camp (location, size and position of the tents for captains, junior officers and soldiers) was designed and constructed in such a manner that the constant network of supervision and gaze were clearly laid out. Foucault (1997, p. 171) states that “in the perfect camp, all power would be exercised solely through exact observation; each gaze would form a part of the overall functioning of power...the camp is the diagram of a power that acts by means of general visibility”. However, Foucault noted that the design of buildings which were built with thick walls and heavy gates to prevent easy access and maintain privacy, has begun to be replaced with the “calculation of openings, of filled and empty spaces, passages and transparencies” (Foucault, 1991a, p. 172). Foucault’s analysis of *hierarchical observation* was not only restricted to the military camp, but included hospitals, schools, prisons, or asylums. However, Foucault (1991, p. 172) states that these architectures or disciplinary apparatuses are “no longer built simply to be seen (as with the ostentation of palaces), or to observe the external space (cf. the geometry of fortresses), but to permit an internal, articulated and detailed control – to render visible those who are inside it; in more general terms, an architecture that would operate to transform individuals: to act on those it shelters, to provide a hold on their conduct, to carry the effects of power right to them, to make it possible to know them, to alter them. Stones can make people docile and knowable”.

In summary, the role of *hierarchical observation* and the associated disciplinary techniques or apparatuses (including accounting) is to use disciplinary power to alter behaviour, change individuals, and make them docile. In Foucault’s (1991, p. 177) words:

Power in hierarchized surveillance of the disciplines is not possessed as a thing, or transferred as a property; it functions like a piece of machinery. And, although it is true that its pyramidal organization gives it a ‘head’, it is the apparatus as a whole that produces ‘power’ and distributes individuals in this permanent and continuous field. This enables the disciplinary power to be both absolutely indiscreet, since it is everywhere and always alert, since by its very principle it leaves no zone of shade and constantly supervises the very individuals who are entrusted with the task of supervising; and absolutely ‘discreet’, for it functions permanently and largely in silence.

Normalizing judgement involves establishing norms of behaviour, and rewarding for conformation or punishing for resistance or deviation. Foucault (1991, p.184) states that “the Normal is established as a principle of coercion in teaching with the introduction of a standardized education and the establishment of *écoles normales* (teachers' training colleges)...like surveillance, and with it, normalization becomes one of the great instruments of power...it is easy to understand how the power of the norm functions within a system of formal equality, since within a homogeneity that is the rule, the norm introduces, as a useful imperative and as a result of measurement, all the shading of individual differences”. *Normalization judgement* “compares, differentiates, hierarchizes, homogenizes and excludes individuals and groups” (Foucault, 1991, p. 183). Foucault (1991, pp. 182-183) states that *normalising judgement* in the regime of disciplinary power:

...brings five quite distinct operations into play: it refers individual actions to a whole that is at once a field of comparison, a space of differentiation and the principle of a rule to be followed. It differentiates individuals from one another, in terms of the following overall rule: that the rule be made to function as a minimal threshold, as an average to be respected or as an optimum towards which one must move. It measures in quantitative terms and hierarchizes in terms of value the abilities, the level, and the 'nature' of individuals. It introduces, through this 'value-giving' measure, the constraint of a conformity that must be achieved. Lastly, it traces the limit that will define difference in relation to all other differences.

Normalization judgement involves administering punishment and reward. Punishment can be in the form of “light physical punishment, minor deprivations and small humiliation” (Foucault, 1991a, p. 178), which is intended to correct the conduct of the subject and eliminate abnormalities. Foucault used the example of the military to explain how the *normalization* process took place. Two examples were given: one was where a soldier is said to have not conformed (hence, is punishable) because he did not perform, and the second case was where a soldier in the Prussian infantry was ordered to be treated with the ‘greatest severity’ because he did not handle his rifle correctly. This type of punishment may seem to be humiliating, but it constitutes part of the disciplinary mechanism to correct and *normalize* the subject. The punishment can be from various means; for example, as stipulated by rules and regulations (artificial means), as well as the duration of training and apprenticeship, where the subject’s performance is assessed (natural and observation means) (Foucault, 1991a).

Rewards reinforce good conduct. Rewarding not only motivates the subject but also motivates others to compete and perform. When leaving schools, pupils are awarded

grades (e.g. ranging from A*, A, B, C, D, E, F) which are used to gain entry into universities. When university students leave universities, they are awarded degrees (e.g. first class, second class, third class, fail), which are used by employers for employment and make decisions. In schools and universities, students can be punished by being required to repeat the same subjects and hence, not being allowed to move forward to the next level. Students are also ranked based on their ability in the particular subjects. Foucault states “discipline rewards simply by the play of awards, thus making it possible to attain higher ranks and places; it punishes by reversing this process” (Foucault, 1991a, p. 181). *Normalizing judgement* was perceived as a new law for modern society, particularly in public services such as schools and hospitals. The introduction of the standard education system and development of teachers’ training colleges are perceived as a “principle of coercion in teaching” (Foucault, 1991a, p. 184) which was intended to improve the education system. Similarly, hospitals were facilitated with sufficient and modern equipment for treating patients, in addition to the requirements of having nationally recognised and approved medical officers (doctors, consultants, nurses and junior staffs). In summary, what is normal involves making a subjective judgement which forms the basis for legitimising class differences, bestowing privileges and justifying inequality and differences among individuals in society.

The *examination* “combines the techniques of an observing hierarchy and those of a normalizing judgement” (Foucault, 1991, p. 184). *Examination* is a “normalizing gaze that makes it possible to qualify, classify and punish” and “establishes over individuals a visibility through which one differentiates them and judges them” (Foucault, 1991a, p. 184). The *examination* is “highly ritualized”, involves “the ceremony of power”, and “manifests the subjection of those who are perceived as objects and the objectification of those who are subjected” (pp. 184-185). Foucault (1991, pp. 187-191) states that:

1. The examination transformed the economy of visibility into the exercise of power. Traditionally, power was what was seen, what was shown and what was manifested and, paradoxically, found the principle of its force in the movement by which it deployed that force. Those on whom it was exercised could remain in the shade...Disciplinary power, on the other hand, is exercised through its invisibility; at the same time it imposes on those whom it subjects a principle of compulsory visibility. In discipline, it is the subjects who have to be seen. Their visibility assures the hold of the power that is exercised over them. It is the fact of being constantly seen, of being able always to be seen, that maintains the disciplined individual in his subjection. And the examination is the technique by which power, instead of emitting the signs of its potency, instead of imposing its mark on its subjects, holds them in a mechanism of objectification. In this space of domination, disciplinary

power manifests its potency, essentially, by arranging objects. The examination is, as it were, the ceremony of this objectification....

2. The examination also introduces individuality into the field of documentation...The examination that places individuals in a field of surveillance also situates them in a network of writing; it engages them in a whole mass of documents that capture and fix them....

3. The examination, surrounded by all its documentary techniques, makes each individual a 'case'; a case which at one and the same time constitutes an object for a branch of knowledge and a hold for a branch of power. ..it is the individual as he may be described, judged, measured, compared with others in his very individuality; and it is also the individual who has to be trained or corrected, classified, normalized, excluded, etc.

Similarly, Foucault used the exemplars of hospitals and schools to explain how the *examination* method can represent power and knowledge. By the end of the seventeenth century, the visits of religious people and physicians to hospitals to examine sick patients had been made regular, making the hospital a place of “training and of the correlation of knowledge and became the physical counterpart of the medical ‘discipline’” (Foucault, 1991a, p. 186). The form of inspection, which was transformed into regular *observation*, made patients subjects of perpetual *examination*. School is an apparatus of teaching, whereas pupils became subjects of comparison for their understanding, performance and skills which were to be measured and judged. The process of *examination* does not end, rather it weaves and establishes repeated rituals of power by guaranteeing the constant exchange of knowledge between teachers and pupils. The *examination* enables teachers to “transform his pupils into a whole field of knowledge” (Foucault, 1991a, p. 186). Subsequently, schools became “the place of elaboration for pedagogy” (Foucault, 1991a, p. 187). In short, *examination* is an avenue that enables an individual to become an object of power and knowledge. By combining *hierarchical observation* and *normalizing judgement*, the *examination* method enables disciplinary power to function effectively through distribution and classification of power.

This section has discussed Foucault’s notion of governmentality which deals with the knowledge and know-how of governing. The role of the panopticon in influencing conduct has been explained. The next section provides some examples of how Foucault’s work has been used in prior accounting studies.

3.4 How has governmentality been applied in prior accounting research?

Foucault’s notion of governmentality has been widely used in the social sciences, including accounting. The concept does not restrict itself to the state or political

institutions, but has been used in closed institutions (Miller & O'Leary, 1987; Spence & Rinaldi, 2014) and public sector institutions such as hospitals (Ferlie et al., 2013) and local authorities (Manochin et al., 2011). Foucault's work on governmentality is based mainly on the relationship between the social structure, institutions and the individual (Mills, 2003), and has become significantly popular within the studies of the state apparatuses that were (and are still being) used, discussed and analysed within the politics, economic and sociology fields (Dean, 1999).

Rose & Miller (1992) argue that modern political rationalities and technologies used by governments are intrinsically linked to developments in knowledge and disciplinary power or expertise. The characteristics and problematics of modern governments depend upon technologies for 'governing at a distance' (Latour, 1988; Preston, 2006) which allows the entities "to create locales, entities and persons able to operate a regulated autonomy". However, the problem with government is that regulations may not apply to all kinds of situations and "so solutions for one programme tend to be the problems for another" (Rose & Miller, 1992, p. 190).

Rose & Miller (1992, p. 177) suggest that knowledge is not simply an idea, rather it is a "vast assemblage of persons, theories, projects, experiments and techniques that has become such a central component of government". Knowledge, through education of economic, medical, technical, legal, political, cultural, norms and practices that are used, is an important element in managing and controlling the lives of the population. Concurring with the above statement, Miller & O'Leary (1987) suggest that science knowledge and training are necessary to help improve the efficiency of government machinery to enhance the quality of life of wider societies. The concept of governmentality relates to the processes of how the 'thinking and acting' are embodied, thus enabling the population to gain wealth, happiness and good health.

Preston et al. (1997) examine the role of accounting in governing socioeconomic activities. Their study suggests that accounting technology and calculations contribute to the government's action at a distance and help to reduce problems inherent in rationing the elderly health care. The US government had introduced diagnosis-related groups and a prospective payment system as a result of the pressure initiated by the elderly lobbies and supported by the public to monitor the Medicare providers in the 1980s. Preston et al. (1997, p. 161) conclude that accounting also functions as an "adequate technology" of distributive government which helps in improving efficiency and reducing the government's role by enabling the government to act from a distance.

Neu (2000a) argues that the practice of colonial objectives by colonial powers through accounting mechanisms has resulted in genocidal outcomes. Neu claims that the notion of governmentality may help to understand the functions of accounting as a technology of governing that have been used in the context of settler-indigenous people relations. The study finds that the pattern of government activities and the accounting techniques used have contributed to tension between the indigenous people of Canada and the government as a result of the “(re)production of colonialism” (Neu, 2000a, p. 269). Multiple forces (instead of using a single mode of control), including accounting technologies which facilitate action at a distance (Preston, 2006), were used by the British Colonial government in Canada to achieve its objectives in controlling the life of its population. These technologies which bring together knowledge from different places may create problems and possible interventions by means of regulating the actions of the agents and (re)distribution of wealth to society.

Neu (2000a, 2000b) suggests that accounting technologies have been used by government as an on-going process to continue dominating the colonised territory and its inhabitants through material practices and ideology by facilitating action at a distance. Accounting technology as a mode of governmentality in governing society may differ across time and space in different places. In Britain’s colonial empire, accounting technology and calculation act as the military administrative and apparatus that helps govern the military machinery of the empire and colonise the indigenous people (Neu, 2000b). Accounting technologies “encourage the containment of indigenous peoples and the appropriation of wealth by settler society” by means of giving away gifts with the intention of the state to colonise the minds and attitude of the indigenous (Neu, 2000a, p. 274).

Neu & Heincke (2004, p. 180) examine how technologies of governing were used in the context of natives in Chiapas (Mexico) and Oka (Canada) to translate governmental policies into practice and how financial relations intersected with techniques used in an attempt to govern the indigenous peoples and “influence action at a distance” (Latour, 1988; Preston, 2006). They argue that the governmentality techniques “have an equivocal relationship with techniques of force” which to some extent has caused resistance from the indigenous (Neu & Heincke, 2004, p.180). Neu & Heincke (2004) conclude that administrative techniques such as financial and monetary relations and techniques of force that were used by governments to convert macro policy objectives into practice may

be more effective in less resistant environments, while potential costs may be high in the areas where resistance is strong.

Walker (2010, p. 628) suggests that the use of child accounting to govern school pupils “provides a compelling illustration of Foucault’s emphasis on individualisation as a foundation for the exercise of disciplinary power” through elements of *hierarchical surveillance* and *normalizing judgement*. Walker (2010) argues that data derived regarding pupils’ performance such as reports, charts, forms and diagrams constitute a hierarchical gaze (or continuous observation) that renders the “individual calculable and manageable” (Walker, 2010, p. 640). *Normalizing judgement*, which is based on measuring the pupils’ results, ranking, and their overall performance, could lead to behavioural implications such as inspiration to work harder or demotivation.

Brivot & Gendron (2011) argue that “the panopticon metaphor, which conceives of the organization as a bounded enclosure made up of divisible, observable and calculable spaces, is becoming less and less relevant in the age of contemporary surveillance technologies”. They state that in the age of information technology and computerisation, lateral networks of surveillance having proliferated whereby “peers are involved in scrutinizing the validity of one another’s work, irrespective of the office’s hierarchies and official lines of specialization” (p.135). Their view on the relevance of physical surveillance in the modern environment has been concurred by Ferlie et al. (2013) who further suggest that three sets of surveillance practices are more relevant: (1) continuously, remote observation and monitoring through timetables, audit, performance indicators, scanning and observational mechanisms; (2) hierarchical ranking that includes public judgements that lead to self-reflections and criticisms; and (3) educational and development programmes. The complex systems of control and surveillance can be modern technologies and may be manipulated or bypassed by an entity. Discipline, panopticon and digital surveillance can enhance universal/hierarchical power over the people’s mind and construct knowledge that enable subjects to become visible for performance comparison via certain practices and processes such as measurement, classification and categorisation (Brivot & Gendron, 2011).

Manochin, et al (2011, p. 26) examine the “use of traffic lights by a Registered Social Landlord (RSL) as a visual representation of self conduct that reflects a way of thinking, acting and constituting a ‘well-governed, well-managed and viable’ housing association. They suggest that governmentality is a ‘conduct upon conduct’ which provides technologies of self-direction and regulation (Foucault, 1991a, 1991b, 2007).

‘Thinking’ often relates to how to govern, organise and administer an institution, whereas ‘technologies’ involve the “discourses, mentalities and regimes of governing technologies that inform the way an entity’s conduct should be governed and how entities should govern themselves” (Manochin et al., 2011, p. 27). The notion of governmentality, which refers to ‘thinking’ and ‘technologies’ that shape the conduct of others, helps to develop an understanding of the rationalities emerging in the public sector organisations and non-governmental bodies. It may also explain the rationalities of governing the problems (Dean, 1999; Rose & Miller, 1992) such as what “constitutes ‘decent and affordable housing’ and how a ‘well-governed’ RSL should behave” (Manochin et al., 2011, p. 27).

Manochin et al. (2011) suggest that governmentality explains the rationalities that are imposed on such associations as a ‘responsible landlord’ through direct and indirect networking with the local authorities, regulators and other stakeholders. Manochin et al. (2011) suggest that visual representation of traffic lights may be used by an entity (the Registered Social Landlord (RSL)) as performance indicators to impose continued self-improvement and self-assessment, and enable a well-governed, well-managed and financially viable entity.

Vallentin (2013) applies Foucault’s work on governmentality to investigate the political difference faced by the Danish government in the development of corporate social responsibility. Vallentin (2013, p. 44) argues that “Danish government policy on CSR does not constitute a unified model or even a concerted effort. It points in different directions and reflects different value orientations”.

Spence & Rinaldi (2014) examine “how the introduction of sustainability accounting has been used by an organization as a means to seek to govern social, economic and environmental issues relating to suppliers”. Their analysis is informed “by the discussion of the implementation of sustainability-orientated regimes of practice in the context of a single supply chain within a major supermarket chain in the UK” (Spence & Rinaldi 2014, p. 433). They suggest that the term ‘governors’ can be referred to the local community, employers and parents that govern the public, mundane workspace and home. In this respect, governmentality encompasses “actions of governance as well as the rationales and beliefs implicit in those actions” (Spence & Rinaldi, 2014, p. 436). They argue “that governmentality is not restricted to the state or political institutions, but is placed in a more general context that includes the corporate domain” (Spence & Rinaldi, 2014, p. 434). Governmentality has enabled the process of appraisal on how the sustainability practice is embedded, maintained and transformed not just within one

organisation, but across the supply chain boundaries (Spence & Rinaldi, 2014). The governmentality lens has provided better and distinctive explanations of practices in the supermarket supply chain, and the role of trust within the organisation.

Bigoni & Funnell (2015, p. 161) examine the “genealogical core of governmentality in the context of the Church at a time of great crisis in the 15th century when the Roman Catholic Church was undergoing reform instituted by Pope Eugenius IV(1431–1447)”. Their study suggest that “accounting was one of the technologies that allowed the bishops to control both the diocese as a whole and each priest, to subjugate the priests to the bishops’ authority and, thereby, to govern the diocese through a never-ending extraction of truth” (Bigoni and Funnell, 2015, p. 160).

To summarise, prior accounting literatures have used Foucault’s work on governmentality that comprises power, knowledge and conduct to provide theoretical grounding to their research. Some of them documented the use of accounting as a technology to advance power and control over the population (Everett, Neu, & Rahaman, 2007; Neu, 2000a, 2000b; Neu & Heincke, 2004), and priests in churches (Bigoni & Funnell, 2015) and some use the general concept of governmentality to examine private sector organisations (Spence & Rinaldi, 2014) and the local housing sector (Manochin et al., 2011; Vallentin, 2013). The key concept of panopticon was used by Brivot and Gendron (2011) to examine the surveillance mechanism in professional settings and the local public services. Rose and Miller (1992) identified the problems of the state by using the governmentality concept.

With an exception of Walker (2010) who did a study on child accounting, no prior accounting literature has particularly used the panopticon elements of *hierarchical observations, normalizing judgement* and *examinations* to analyse how power and knowledge relationship function to induce docility within different settings. This study therefore, contributes towards adding the panopticon elements in literature by focusing on the UK national MAGs as its contextual base.

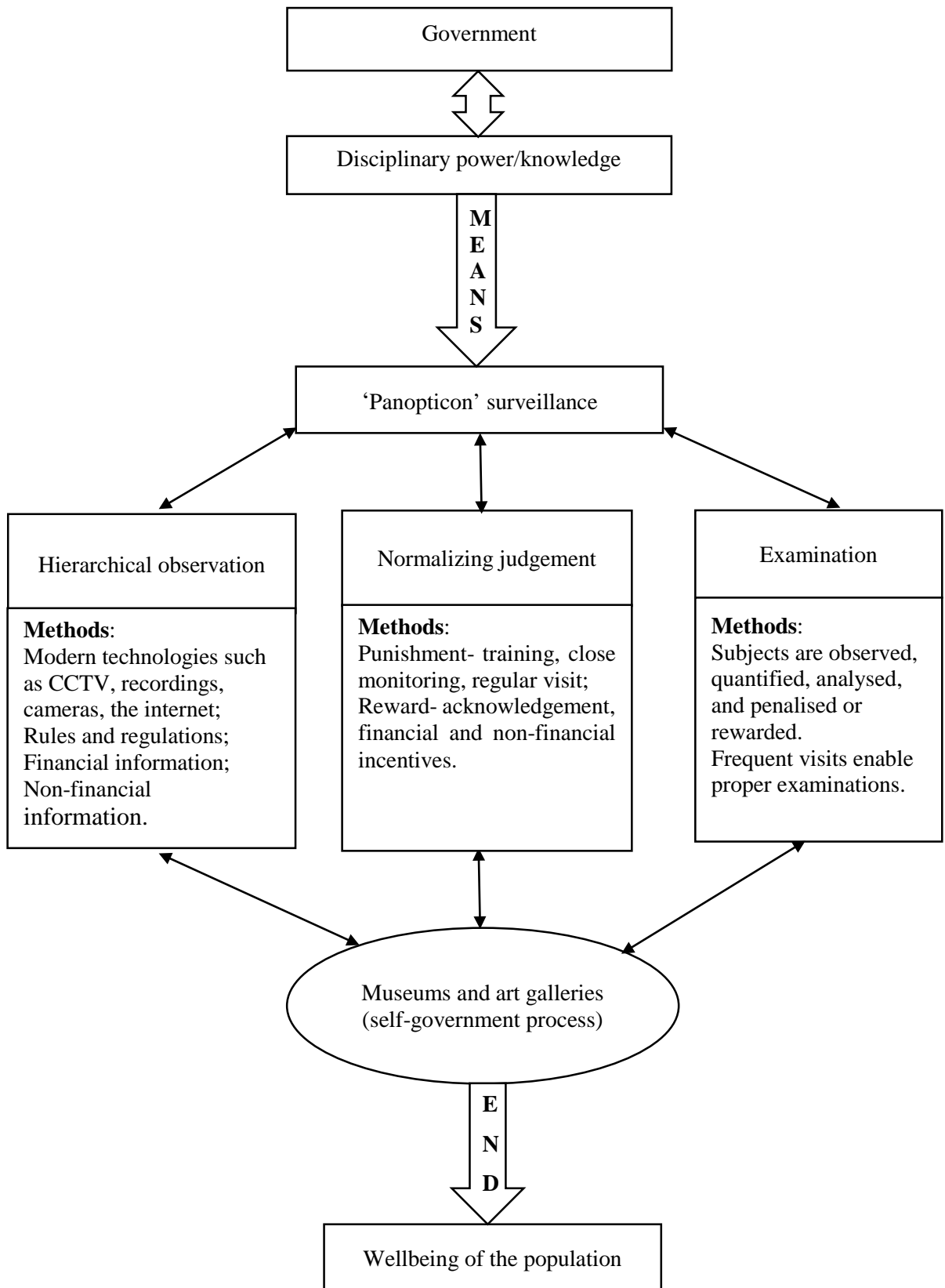
3.5 Governance of MAGs: A governmentality framework

3.5.1 Disciplining MAGs

Foucault’s ideas of disciplinary power/knowledge have influenced the studies of museums since the early 1990s (Macdonald, 2011). The government monitors and controls the MAGs’ governance and activities through a number of mechanisms. In Foucauldian terms, the process of monitoring from a distance is called a ‘panopticon’

surveillance that aimed to monitor and discipline behaviour and create good conduct. Figure 3.2 is a diagrammatic representation of the panopticon surveillance used by the government to exercise its power over the MAGs. According to Foucault (1991) the panopticon enables the exercise of disciplinary power, and is comprised of three main elements: *Hierarchical observation, normalizing judgement* and *examination*.

Figure 3. 2: Disciplining MAGs: A governmentality framework



Source: Author's own diagram.

The first element of disciplinary power, *hierarchical observation* involves the use of modern technologies (CCTVs, cameras, recordings, emails, etc.), rules and regulations, reporting of activities, financial and non-financial information, and even assigning someone to oversee the governance of the organisation – i.e., the board of trustees in the case of the MAGs. The government does not adopt CCTV cameras or recording systems to monitor MAGs' behaviour. Instead, its most common means of 'observation' is through rules and regulations and the roles of the board of trustees. Rules and regulations act as disciplinary mechanisms to discipline behaviour and make trustees and senior managers docile and act in an appropriate manner (self-disciplinary or self-conduct). The Acts themselves do not monitor behaviour, but are used by the authorised bodies as a guide to control or discipline the trustees and senior managers of the MAGs. For example, officers from government department who are responsible to ensure rules and regulation are complied with, would *observe* the activities and governance of the MAGs to determine whether their activities are in line with the stipulated rules. The process of *hierarchical observation* which represents the government's gaze occurs at different levels, time and space where information about the MAGs' governance and activities are shared and discussed among the government's representatives. The government's representatives may meet senior managers of the MAGs to seek clarification if they find the activities of the MAGs' are deviating from the stipulated rules. Further visit to the MAGs or consultation may be made by the government's officer to provide advice to them – in Foucauldian perspective, frequent visit and consultation are process of *normalizing* the behaviour of the MAGs. The ultimate objective of *hierarchical observation* is to ensure the functionality of the government's power over the MAGs in order to ensure that they conduct themselves appropriately.

The second element of disciplinary power, *normalizing judgement* involves measuring performance and administering penalties or rewards for (non) conforming to rules and regulations, other statutory requirements or performance objectives. Reward in terms of additional financial assistance may be given as an incentive for their conformation to government's requirements, or the MAGs may receive an acknowledgement for good performance. MAGs may be penalised for underperformance by, for example, financial or non-financial sanctions, providing them with training or continued consultation and monitoring from government representatives (particularly from DCMS), with the intention to correct the practices and improve the existing governance process. Under exceptional circumstances, funding may be reduced for non-

compliance to government's requirements. Based on Foucault's *normalization* view, reward for good performance may be a better alternative for organisations like MAGs rather than penalising them, because financial restriction (for example) may adversely affect their activities.

The third element of disciplinary power, *examination*, involves a combination of *hierarchical observation* and *normalizing judgement*. Within this method, the process of establishing the truth and fact occurs when the MAGs are seen as subjects that are being closely monitored, quantified, classified and subsequently penalised for deviation of activities or governance. Frequent visits by the DCMS's representatives who may try to understand the governance structure of the MAGs through quantification and classification of annual reports, and key performance indicators, and compare their performance, make the organisations places for correlation of information and knowledge. Through these analyses, activities or problems associated with their governance and operation can be discussed in an effective manner. Subsequently, the information gathered enables the government to exercise its power effectively, for example according to the performance level of each organisation. The process of *normalization* makes the MAGs become centres for knowledge where training and consultations are taking place.

In summary, the elements of *hierarchical observation*, *normalization judgement* and *examination* are forms of disciplinary power that can be applied in the modern environment to condition the behaviour of the subjects, in this case the MAGs. Knowledge is achieved through formal or informal discursive processes (Foucault, 2002). Whilst the 'panopticon' surveillance is an important *means* used by the government to observe the MAGs from a distance, this *means* enables the latter to conduct and govern themselves. The MAGs may behave in such a way in order to fulfil the requirement of certain rules and regulations, code of ethics, policies and social obligations.

3.5.2 Power/knowledge relationships in MAGs

By drawing from Foucault's work on governmentality, table 3.1 shows how the government exercises its power through elements of *hierarchical observation*, *normalization judgement* and *examination* to condition the behaviour of the MAGs.

Table 3. 1: Foucault’s analysis of power – its application to the MAGs

<i>Determining factors</i>	<i>Causes</i>	<i>Governing mechanisms</i>	<i>How power is exercised</i>
Systems of differentiation (which permits one to act upon the actions of others)	Difference in the rules and regulation, economic status and privileges	Museums and Galleries Act, 1992; British Museums Act, 1963; National Heritage Act, 1983 Companies Act, 2006; Charities Act, 2011	General roles of the board of trustees; Rules on trading income, implications on tax; General role of the MAGs as charitable bodies. In the Foucauldian sense, power relationship occurs through <i>hierarchical observation</i> .
Types of objectives (pursued by those who act upon the actions of others)	Maintenance of privileges, profits, statutory authority, the exercise of a function.	Acts of Parliament; DCMS; Accounting information; Key performance indicators	Requirement to provide free access to the public; Requirement to report on financial and non-financial information. In the Foucauldian sense, power relationship occurs through <i>examination</i> .
Means of bringing power relations into being	How is the power being exerted? Is it by the threat of arms, effects of the word, by means of economic disparities, surveillance systems?	Museums and Galleries Act, 1992; British Museums Act, 1963; National Heritage Act, 1983.	Rules and regulations; surveillance systems; In the Foucauldian sense, power relationship occurs through <i>hierarchical observation</i> .
Forms of institutionalisation	Predispositions, legal structures, phenomena relating to custom or to fashion, apparatus closed in upon itself, systems endowed with multiple.	The Parliament	Legal institution – Non-departmental public bodies. In the Foucauldian sense, power relationship occurs through <i>hierarchical observation</i> .
The degrees of rationalization	Power relations that come in play may be to ensure the effectiveness of the instruments and certainty of the results. Power is elaborated, transformed and organised with processes which are more or less adjusted to the situation.	The Parliament	Reward incentives for good performance; Penalty for under-performance. In the Foucauldian sense, power relationship occurs through <i>normalization</i> .

Based on Foucault (1982, p. 792) and Foucault’s (1991) work on governmentality.

Firstly, systems of differentiation, which allow an action upon another, are based on the rules, regulations, economy and priorities that are passed through the MAGs. The Museums and Galleries Act, 1992, the British Museums Act, 1963 and the National Heritage Act, 1983 are principal governing documents that describe the general roles of the board of trustees, whilst the Companies Act, 2006 describes legal requirements of the trading activities undertaken, and the Charities Act, 2011 describes the MAGs' status as charitable organisations. The Acts rationalise the government's exercise of power over the MAGs by monitoring their governance and activities from a distance (Hoskin & Macve, 1988; Rose & Miller, 1992). The Acts of Parliament and rules are interesting mechanisms in the sense that, the Acts themselves cannot monitor behaviour. Rather the process of *observation* occurs through the 'gaze' of different government departments or authorities who would identify whether the MAGs comply with the stipulated rules and regulations. (Note that for purpose of this study, the Act of Parliament refers to the Museums and Galleries Act 1992, the British Museum Act 1963 and the Heritage Act 1983).

Secondly, the objectives of the MAGs are determined by the government which are laid out in the Acts of Parliament. The DCMS ensures that the organisations undertake their activities in accordance to the stipulated rules and regulations, and maintain the privileges granted by the government as authorised 'technology of governing. Their missions and objectives are narrated in financial and non-financial information in which they demonstrate their accountability objectives. The information acts as a 'panopticon surveillance' for the government to act at a distance through *examination* process such as quantifying and analysing accounting information and key performance indicators to understand the financial and non-financial position of the MAGs. The information supplied by the MAGs, renders them answerable for their performance. Financial and non-financial information produce "new ways of rendering economic activity into thought, conferring new visibilities upon the components of profit and loss, embedding new methods of calculation and hence linking private decisions and public objectives in a new way - through the medium of knowledge" (Rose & Miller, 1992, p. 187). The use of key performance indicators as a surveillance mechanism provides pervasive technology to construct the image of MAGs as well-governed organisations. These mechanisms can be used as a "self-construction of good governance that is related to the systematic construction of evidence of continuous improvement and self-assessment" (Manochin et al., 2011, p. 33) in the public sector organisations such as the MAGs.

Thirdly, the means of bringing power into being are achieved through forces such as threat of economic or non-economic sanctions. Alternatively, other means of control can be through *hierarchical observation* and trainings which are perceived to be more gentle and appropriate for many organisations including cultural sectors such as the MAGs. This means of power is more appropriate in the contemporary environment where people would normally prefer consultation or training rather than punishment to *normalize* behaviour. As discussed in the earlier paragraph, the government can exert its power effectively by enacting rules and regulations to discipline the organisations.

Fourthly, the analysis of power describes the nature of the institution and its legal structure. Explanation of the nature of the organisation is significant in order to disseminate knowledge about their governance structure and activities. The nature and legal structure can determine the mission and objectives of the organisations. The UK national MAGs are considered as non-departmental public bodies that undertake activities on behalf of the government for the wellbeing of its population.

Lastly, the rationalisation of power can be twofold. Firstly, it refers to how the government rationalises its power to control the MAGs (or to conduct others). Secondly, it refers to how the MAGs rationalise their power to act appropriately as docile agents (or to conduct themselves). Power can be exercised over a free entity, at any particular time and space, where it deems it to be appropriate. Within its power, the government may exert its power effectively by penalising the MAGs for poor performance, or rewarding them for good performance.

3.6 Conclusion

This chapter has discussed a theoretical framework for understanding the governance of UK national MAGs by drawing from Foucault's work on governmentality. The genealogy of governmentality has its root in Foucault's numerous works. To that end, this chapter has discussed two of his widely cited works, *The Archaeology of Knowledge* and *Discipline and Punish: The Birth of the Prison*. Power-knowledge relationships between the government and the MAGs were shown in Figure 3.2, by using the notions of *hierarchical observation*, *normalising judgement* and *examination*, which explained how government monitors these organisations at a distance. The power/knowledge relationship was further amplified by adopting Foucault's (1982) analysis of power in the context of the MAGs. The chapter also provided an overview of key accounting literature that used Foucault's governmentality framework.

This study contributes to the extent governmentality literature by developing a governmentality theoretical framework based on Foucault's conceptions of disciplinary power/knowledge in the specific context of UK national MAGs. The governmentality framework discussed in this chapter would help provide theoretical insights into the research questions and empirical data. MAGs may be conceived as one of the government's technologies of governing the population. The governmentality framework would shed light on the power and knowledge relationship in the context of MAGs, how power is exercised in subtle ways, and the technologies of governing MAGS. The study shows how and why disciplinary power has been brought into practice through the government's 'action at a distance' mechanisms (Hoskin & Macve, 1986; Preston, 2006) and how the disciplinary power flows and becomes internalised within the agent's (MAGs) behaviour, which effectively creates docility through self-conduct and self-government. The elements of *hierarchical observation*, *normalization* and *examination* in this study provide theoretically informed insights into how power can be executed to create self-conduct and good governance. The study also aims to develop academic and theoretical thinking about how disciplinary power, through the three elements of the panopticon lens, may be used in different space and time.

The next chapter discusses research methodology and methods adopted for this study.

CHAPTER 4

Research methodology and methods

“I would like my books to be a kind of tool-box which others can rummage through to find a tool which they can use however they wish in their own area... I would like the little volume that I want to write on disciplinary systems to be useful to an educator, a warden, a magistrate, a conscientious objector. I don't write for an audience, I write for users, not readers” (Foucault, 1994b, p. 523-524).

4.1 Introduction

As mentioned in Chapter 1, the objectives of this thesis are to: (1) examine the roles that UK national museums and art galleries (MAGs) play in modern society and how they are managed and controlled, by discussing how and to what ends they are governed; and (2) unveil some challenges and tensions in the governance process. To achieve the objectives of the thesis the following inter-related research questions are designed and answered:

1. What purposes do UK national MAGs serve in modern society?
2. How are the UK national MAGs controlled by the government and why are they so controlled?
3. How do the UK national MAGs govern themselves to discharge their accountability?
4. What key governance challenges and tensions do the UK national MAGs face?

Chapter 3 has developed a theoretical framework for understanding the governance of UK national MAGs by drawing from Foucault’s work on governmentality. The chapter explained the genealogy of governmentality by discussing two of Foucault’s main works: *The Archaeology of Knowledge (1969)* and *Discipline and Punish: The Birth of the Prison (1975)*. These works discussed the role of power and knowledge relations in creating a disciplinary society to govern the population. The panopticon and its constructs were discussed to illustrate how disciplinary power works in society. The chapter consolidated the theoretical analysis in the context of prior accounting literature which have used Foucault’s work on governmentality in different empirical settings. The chapter then developed a governmentality theoretical framework for understanding the governance of UK national MAGs.

This chapter discusses the research methodology and methods used to collect empirical data. Research methodology and methods are determined by the nature of the research and its objective. Methodology is concerned with reflecting on how knowledge

is created, and the philosophy that underlies a particular research work. Research methods refer to the tools, techniques and procedures used to collect and analyse data, and are related to research methodology. Greener (2011, p.5) distinguishes between research methodology and methods as follows:

Methods are the tools and techniques that are used in social research practice. Interviews are a research method, as is the calculation of descriptive statistics. Methodology, on the other hand, studies methods to work out what we can usefully say about them, and explores their philosophy, application and usage. So when we are examining methods, comparing them or thinking about the kinds of knowledge that they produce, then we are doing methodology.

Similarly, Ryan (2002, p. 36) distinguishes methodology and methods as follows:

Methodology is concerned with the process of doing research and, as such, it has ontological and epistemological dimensions. Furthermore, it is important to distinguish between methodology from research methods. The latter are the particular techniques used in the research. In this sense, statistical techniques are methods, not a methodology, although their use in a particular research process, with its implicit ontological and epistemological assumptions, is a methodology.

This chapter is organised as follows. The next section briefly discusses the positive and constructive research methodologies and methods to provide context to the critical methodology and methods adopted in this study. Section 4.3 discusses this study's research methods. It explains how primary and secondary data have been collected. The section also discusses validity and reliability issues in using the chosen research methods. Section 4.4 concludes this chapter.

4.2 Research paradigms

Guba & Lincoln (1994, p. 105) define a paradigm as a “basic belief system or worldview that guides the investigator”. Investigating researchers mainly adopt positive, constructive and critical paradigms in their studies. Each of these paradigms consist of three main aspects: ontology, epistemology and methods.

Ontology is “the study of being” (Crotty, 1998, p. 10) or answering the question of “what is the form and nature of reality and, therefore, what is there that can be known about it?” (Guba & Lincoln, 1994, p. 108). Whilst ontology is about what we know (or what constitutes reality), **epistemology** is about understanding how we know what we know. Crotty (1998, p. 8) states that epistemology deals with “how we know what we know” whilst Guba & Lincoln (1994, p. 108) state that epistemology deals with “what is the nature of the relationship between the knower or would-be knower and what can be

known?” Saunders, Lewis, and Thornhill (2009, p. 112) define epistemology as “what constitutes acceptable knowledge in a field of study”. Epistemology can be referred to as the ‘theory of knowledge’, and it studies how we obtain and justify what we claim to be true and the limitations of knowledge. Guba & Lincoln (1994, p. 108) state that methodology deals with “how can the inquirer (would-be knower) go about finding out whatever he or she believes can be known?” Methods are secondary to epistemology and refer to the processes, techniques and methods used to investigate reality and construct/create knowledge. For example, if a researcher’s epistemology is empirical/positive, then s/he can acquire knowledge of the world only through observation and testing, so research methods that do not involve observation/testing in one way or another would not be considered valid as sources of knowledge.

The next section discusses the positive, constructive and critical paradigms and their underlying ontology, epistemology and methodology.

4.2.1. The positivist and constructive paradigms

The positivist’s **ontology** is that there is an objective reality that exists independent of the researchers, but this may be considered as naïve by constructive and critical researchers (Guba & Lincoln, 1994). The positivist’s view is that objects exist independently of people. In contrast, constructivism argues that the various classes of object are not ‘natural’ but rather socially constructed. Positivists also believe that objects behave in accordance with ‘laws of nature’, that is, they accept determinism. Some positivists are reductionists in the sense that they believe that observable phenomena can be reduced to more basic phenomena.

The positivist’s **epistemology** assumes that research problems can be tested objectively and independently from the researcher (Easterby-Smith, Thorpe, & Lowe, 2002). Guba & Lincoln (1994, p. 110) state that the methods used by positivist researchers are “*experimental and manipulative*” where “questions and/or hypotheses are stated in propositional form and are subjected to empirical test to verify them; possible confounding conditions must be carefully controlled (manipulated) to prevent outcomes from being improperly influenced”. To avoid contamination or influence over the outcomes, the hypotheses are undertaken carefully in a controlled environment (Guba & Lincoln, 1994).

In terms of **methods**, positivist researchers often use time series data from surveys and databases. Positivists claim that their findings are usually generalizable, because they

are derived from samples that are constructed to be representative of the whole population. In accounting and finance research, regression models are commonly used by positivist researchers to obtain their results and test their hypotheses. For example, positivist accounting research often involves regressing a set of independent variables (e.g. company size, number of employees, market share) against a dependent variable (e.g. profitability) and controlling for external influences by using control variables called dummy variables (e.g. government regulation, inflation). The positivistic approach involves the generation of “hypotheses and grandiose attempts to explain all social behaviour with a given systematic set of assumptions” (Moore & Pinder, 1980, p. 1).

However, the positivistic approach has been criticised for its assumption of objectivity about the phenomena being studied. For example researchers are part of what they observe, therefore they can rarely be objective and detached. It can be misleading to capture complex phenomena with a single measure; the research design may ignore other relevant findings and limit the results because it is highly structured (Collis & Hussey, 2003).

The constructive/interpretive paradigm “is informed by a concern to understand the world as it is, to understand the fundamental nature of the social world at the level of subjective experience” (Burrell & Morgan, 1979, p. 28). The **ontology** of constructive research is that realities are multiple and are socially constructed by human actors through interaction between the researcher and the researched, and hence there is no absolute truth and knowledge is subjective (Saunders, Lewis, & Thornhill, 2009). Data is qualitatively generated and analysed (Hallebone & Priest, 2009). There are multiple versions of knowledge and reality, depending on how they are being perceived by the researchers (Guba & Lincoln, 1994).

In terms of **epistemology**, the constructive paradigm posits that the researcher and participants are linked and construct knowledge together. Guba & Lincoln (1994, p. 111) state that under the constructivism paradigm, “the investigator and the object of investigation are assumed to be interactively linked so that the “findings” are literally created as the investigation proceeds. As such, the limitations of the research philosophy, methods and findings should be acknowledged by the researchers (Brewer, 2002), because multiple realities and findings are constructed and subject to bias. Constructive researcher is usually part of the study being researched (Chua, 1998). Reflexivity is an important element of this approach.

In terms of **methods**, Guba & Lincoln (1994, p. 111) state that “the variable and personal (intramental) nature of social constructions suggests that individual constructions can be elicited and refined only through interaction between and among investigator and respondents”. Under the constructivist paradigm, researchers adopt archival analysis, case studies and in-depth interviews to investigate problems and phenomena of the research area being studied in specific empirical settings (Saunders et al., 2009). Dialogue or discourse with participants is a common element within a constructive research design with the aim to understand the social phenomena being studied.

As with all research paradigms, the constructive approach has limitations. For example, its approach may be considered simplistic, while problems in real life may be quite complex; moreover, interaction with the researched may contaminate the findings. Researchers may be biased and make conclusions based on their own subjective interpretations (Saunders et al., 2009).

4.2.2 The critical paradigm

Critical theories can be traced back to the work of philosophers, such as Marx, Kant, Weber, Habermas, and Foucault (Foucault, 1977; Habermas, 1984, 1987; Marx & Engels, 1969; Neimark, 1994). Critical researchers study the influence of economic, political, social and cultural structures on agency and vice versa. The **ontology** of critical theory is to transgress and question the status quo, with a view to change structures of control and domination and emancipate those who have been entrapped (Giddens, 1979, 1984; Neimark, 1994).

In terms of **epistemology**, the purpose of knowledge is to change and act in solidarity, where knowledge is value-driven, discourse-based and limited by language (Neimark, 1994). Cohen et al. (2007, p.27) state that “what counts as worthwhile knowledge is determined by the social and positional power of the advocates of that knowledge” (Cohen et al, 2007, p. 27). Guba and Lincoln (1994, p. 110) state that under the critical paradigm “the investigator and the investigated object are assumed to be interactively linked, with the values of the investigator (and of situated "others") inevitably influencing the inquiry”. The researcher is concerned with understanding how the phenomena has occurred or developed, and tries to change people’s mind-set from perceiving the existing situation as the natural order of things (Burrell & Morgan, 1979; Johnson & Duberley, 2000). Laughlin (1995, 2004) suggests that critical theory enables

problematization of taken for granted knowledge by identifying problems of existing studies, introducing proposals to examine theoretical claims, and proposing directions for new research.

In terms of **methods**, Guba & Lincoln (1994, p. 110) state that critical theorists adopt “*dialogic and dialectical*” approaches where “the transactional nature of inquiry requires a dialogue between the investigator and the subjects of the inquiry; that dialogue must be dialectical in nature to transform ignorance and misapprehensions (accepting historically mediated structures as immutable) into more informed consciousness (seeing how the structures might be changed and comprehending the actions required to effect change)”. Dialogue with the participants is aimed to be reflexive and deepen understanding with the main objective of changing practices for improvement (Johnson & Duberley, 2000). As compared to the constructivist approach, the purpose of dialogue is to understand power-relationships, structures of domination and control, with a view of changing them and emancipate those being dominated. One of the limitations of critical theory is that it favours intellectual elitism by assuming that the critical researcher is emancipated and is in a privileged position to analyse structures.

4.2.3 Justification for choosing a critical paradigm

Foucault’s (1994a, p. 225) research on prison was not aimed at “institutions," "theories," or "ideology" but *practices*-with the aim of grasping the conditions that make these acceptable at a given moment; the hypothesis being that these types of practice are not just governed by institutions, prescribed by ideologies, guided by pragmatic circumstances whatever role these elements may actually play-but, up to a point, possess their own specific regularities, logic, strategy, self-evidence, and "reason.". *Practices* (Foucault called it ‘the regime of practices’) can be understood as “places where what is said and what is done, rules imposed and reasons given, the planned and the taken-for-granted meet and interconnect” (*ibid.*). Foucault states that to analyse the ‘regime of practices’ means to “analyze programmes of conduct that have both prescriptive effects regarding what is to be done (effects of "jurisdiction") and codifying effects regarding what is to be known (effects of "veridiction")” (*ibid.*).

This thesis is informed by critical theory which in general seeks to conceptualise the “interplay between structure and social practices, the mediation of the objective and the subjective in and through particular social phenomena” (Broadbent & Laughlin, 2002, p. 625). Parker (2003, p. 16) states that “less structured qualitative methodologies reject

many of the positivist's constructions of what constitutes rigour, favouring instead the flexibility, creativity and otherwise inaccessible insights afforded by alternative routes of inquiry that embrace storytelling, recollection, and dialogue”.

Critical theory is underpinned by the idea that it does not only aim to understand the social phenomenon (in this case, the governance of UK national MAGs), rather it provides space for cultural and social criticism, and suggestions for social reform to enable emancipation from political struggles or social domination or dependency (Burrell & Morgan, 1979). The thesis aims to examine the roles of UK national MAGs in modern society, how they are governed and some key challenges and tensions that they face. An examination of the governance discourses may thus help to identify systems of entrapment in societies and achieve emancipation or change (Hallebone & Priest, 2009) to inform policymaking and improve practices.

The concept of governance is multifaceted, has different meanings and is subject to different interpretations, which has been debated by many researchers (Goddard, 2005; Almquist et al., 2013). Whilst MAGs may be described as “positive social institutions providing forums for the articulation and resolution of important groups ...” different forms of power and domination may have led to wrong decision-making which effectively “fostered social harms and significant waste and inefficiency” (Deetz, 1996, p. 202). Power and domination from certain interest groups may influence decision-making and allow these groups to prevail over other stakeholders. Open discussion, critiques and reforms can help resolve the tension of conflicting interests between different stakeholders in a fair and just manner.

The main motivation for using critical theory stems from its strength in providing empirical contextual detail and richness from a theoretically informed perspective (Laughlin, 1995, 2004) and in problematizing taken for granted knowledge (Jönsson & Macintosh, 1997). Critical theory attempts to emancipate people from social orders by “consistently maintaining a dialectical view of society, claiming that social phenomena must always be viewed in their historical contexts and understood in terms of negation, on the basis of their own opposite and of the possibility of social conditions of a qualitatively different kind” (Alvesson & Sköldberg, 2009, p. 144). Emancipation is a process through which “individuals and groups become freed from repressive social and ideological conditions, in particular those that place socially unnecessary restrictions upon the development and articulation of human consciousness (Alvesson & Willmott, 1992, p. 432). Gallhoffer and Haslam (2003; 2011, p. 503) question whether

emancipation has any valid meaning remaining and if, in itself, it has a worthwhile goal to pursue, and proposes that an emancipatory approach should conceive “emancipation as a process and recognises emancipatory and negative dimensions not just of every moment or situation but also of interventions in the name of emancipation or progress”.

Foucault studied power/knowledge relationships in institutions (such as prisons, hospitals, schools, military camps), and focused on understanding their influences on people as subjects and objects (Horrocks & Jevtic, 1997). His main focus was on prisons which stemmed from two reasons. Firstly, because “it had been rather neglected in previous analyses; when people had set out to study the problems of “the penal order” [*penalite*]...either the sociological problem of the criminal population, or the juridical problem of the penal system and its basis. The actual practice of punishment was scarcely studied except, in the line of the Frankfurt School, by Georg Rusche and Otto Kirchheimer. There have indeed been studies of prisons as institutions, but very few of imprisonment as a general punitive practice in our societies” (Foucault 1994, p. 224). Secondly, was because of “the idea of reactivating the project of a ‘genealogy of morals,’ one that worked by tracing the lines of transformation of what one might call ‘moral technologies.’ In order to get a better understanding of what is punished and why, I wanted to ask the question how does one punish? This was the same procedure as I had used when dealing with madness: rather than asking what, in a given period, is regarded as sanity or insanity, as mental illness or normal behaviour, I wanted to ask how these divisions are effected” (*ibid.*)

Foucault’s research approach thus, has provided insights into how knowledge, power and conduct are intertwining in institutions, societies, individuals (oneself) and governance mechanisms. Similarly, this study has been influenced by Foucault’s methodology and methods, in the sense that his books and articles not only provided ideas on governmentality but also provided insights into how he has conducted his research. Governance and their associated mechanisms are not to be understood in isolation but should be analysed in terms of the language in which they are articulated, and their context and purposes. For example, the paper entitled ‘Genealogies of calculation’ by Miller & Napier (1993, p. 631) “emphasizes the discursive nature of calculation, the language and vocabularies in which a particular practice is articulated, the ideals attached to certain calculative technologies” and “stresses the importance of attending to ensembles of practices and rationales that are assembled at various collective levels, rather than with isolated instances of this or that way of accounting”.

4.3 Research methods

Qualitative research methods have been used in this study because, as Parker (2014, p. 14) explains, “qualitative research stands in the involved holistic tradition of intense, longitudinal contact with the field, studying ‘live’ commonplace processes in their natural settings” and addresses issues of “culture, politics, ideology, power, stories, language, symbols, perception, and cognition”. Qualitative research methods enable “qualitative researchers to look at interesting research questions, in varying contexts and from different perspectives”, and “can serve to inspire theoretical development” (Humphrey, 2014, p. 51-52). Theory is a powerful tool for organising and communicating ideas, and providing a deeper level of understanding of the research questions/problems (Chapman & Kern, 2012). Ahrens & Chapman (2006) state that the processes of connecting theory and data to answer the research questions require careful consideration and great discipline. The contextual structure of the phenomenon being researched which involves participation from diverse backgrounds requires a “powerful disciplinary force: assertive, demanding, even coercive” which enables researchers to engage with theory in a logical manner (Ahrens & Chapman, 2006, p. 820). Parker (2003b, 2012; 2014, p.15) summarises the merits of qualitative research and explains the role of the researcher as follows:

Researchers, actors and archives are all reflexively engaged, producing written and verbal text that is part of the socially constructed reality for organisational and institutional actors and researchers alike. These present the literature with a rich tapestry of multiple narratives, reflections and critiques. Through these, the disciplinary literature is arguably enhanced with deeper and more contextualised understandings of management and accounting in their general and unique settings... To this end, the researcher role transmogrifies. It becomes one of experiencing, understanding and critiquing organisational, institutional and accounting structures and processes. That opens up the possibility of asking and interrogating questions no one has previously bothered to ask, and better understanding and reconstituting what we thought we already knew (Parker, 2003). But wait, there is more! Our qualitative tradition also permits us to build theory where there has been none, to revisit and revise unsatisfactory theorisations, and to extend our research more directly into the worlds of policy and practice.

As explained in Chapter 1, this thesis aims to answer the ‘what’, ‘how’ and ‘why’ questions through identification of deep insights and realities underlying the construction of governance mechanisms within the UK national MAGs. The ‘what’ questions were expected to provide more descriptive answers, whereas the ‘how’ and ‘why’ questions were expected to provide critical answers. Three national museums and three national art galleries in the UK were selected on the basis of convenience and ease of access to

identify and understand their governance processes in their economic, social, cultural and political context.

This study uses qualitative research methods, involving semi-structured interviews and analysis of documents. A combination of these two methods may enhance understanding about how the national MAGs are governed and how internal or external forces influence their governance and activities.

Table 4.1 shows a summary of the data collection methods used in this study. The next sub-sections discuss these methods in more detail.

Table 4. 1: Data Collection methods

	Methods	Target group	Purpose and expected data
1.	Semi-structured interviews (Primary data)	Senior officers from DCMS, Board of trustees, Directors of the MAGs, Curators and senior managers from the relevant MAGs and non-government sponsors	<ul style="list-style-type: none"> • To obtain an in-depth understanding regarding control mechanisms used by the government in controlling and monitoring the activities of the national MAGs; • To obtain an in-depth understanding and clarifications from the trustees and directors regarding information that was /was not included in their annual reports and their governance structure and activities; • To gain their opinion on how their governance may help achieve accountability objectives towards multiple stakeholders and potential conflict that may arise; • To understand the challenges and tensions faced by the MAGs when governing and initiatives to overcome the challenges.
2.	Analysis of documents (Secondary data)	Acts of Parliament, Government's publishable documents, annual reports, funding agreements, key performance indicators, emails, online news and updates	<ul style="list-style-type: none"> • To understand the regulatory framework underpinning the governance of the national MAGs and rules associated with their governance and activities; • To understand their governance structure, information regarding income received, key performance indicators and other relevant information. This information is critical for discussion during interviews and to help with relevant findings for the thesis. • News updates are relevant to have an update on new things that happen and any changes in the rules and governance structure.

4.3.1 Semi-structured interviews and justification

Kvale (1983, p. 174) defines the qualitative research interview as "an interview, whose purpose is to gather descriptions of the life-world of the interviewee with respect to interpretation of the meaning of the described phenomena". An interview is a purposeful conversation or series of questions and answers between two parties (interviewer and

interviewee) to obtain information on a particular research area (Frey & Oishi, 1995). The process used for the interview method is either face-to-face, over the telephone or online. Interviews have been used by a number of researchers as their primary data collection and are usually used to complement document analysis (Farneti & Guthrie, 2009). The purpose of conducting interviews is to make the interviewees “talk about their world” (Pawson, 2003, p. 168), to tease out the complex relationship between governance mechanisms and accountability expectations within the national museums and art galleries. Alasuutari (1998, p. 135) argues that the rationale for in-depth interviews is to “directly ask informed citizens to provide answers to the research problems”.

Many researchers adopt a semi-structured interview method because it offers flexibility for researchers to ask and probe questions. Semi-structured interviews also enable researchers to obtain independent but rich data from the respondents about a specific situation. Interviews develop genuine human interaction, trust, commitment and real self that may generate authentic information during the interview process (Alvesson & Ashcraft, 2012). The researcher may ask slightly different questions to obtain greater information without affecting the perception of the respondents towards him and the way the conversation is taking place. This conforms to Nichols’ (1991, p. 131) suggestion that an informal interview is where “fieldworkers are free to deal with the topics of interest in any order and to phrase their questions as they think best”. A good relationship between the researcher and the interviewees makes it easy to arrange for a follow-up interview whenever required.

This research has therefore used qualitative semi-structured interviews. In total, thirty-two interviews were conducted with thirty-two participants who were knowledgeable about governance and accountability processes. Table 4.2 provides details of the interviews. Note that during one interview session (session 13), two participants were interviewed, and the director of development agreed to have a follow-up interview (sessions 14 & 18).

Table 4. 2: Details of interviewees

No	Position	Participant's Code	Museum's Code	Meeting date	Approximate Duration
1	Director of strategy and policy, and corporate governance	DOG1	AG1	06/12/2013	59 minutes
2	Director of public engagement	DPE1	M1	28/02/2014	1 hour 05 minutes
3	Director of strategy and planning	DOG2	M2	28/02/2014	1 hour 16 minutes
4	Chief executive & accounting officer	CEO	M1	06/03/2014	1 hour 21 minutes
5	Director of collections/curator	CUR1	M2	17/03/2014	1 hour 10 minutes
6	Director of finance & planning	DOF1	AG2	17/03/2014	1 hour 25 minutes
7	Director of governance and planning	DOG3	M3	23/04/2014	1 hour 55 minutes
8	Director of operations and resources	DOR	AG2	23/04/2014	1 hour 01 minute
9	Director of finance	DOF2	M2	06/05/2014	1 hour 02 minutes
10	Director of museum sponsorship	GOV1	DCMS	13/05/2014	1 hour 20 minutes
11	Director of strategy and communications	DOG4	NMDC	23/05/2014	1 hour 25 minutes
12	Public appointments adviser	GOV2	DCMS	30/05/2014	1 hour 25 minutes
13	Director of development	DOD1	AG2	12/06/2014	1 hour 10 minutes
	Deputy chief executive officer	DCEO			
14	Director of development (1 st meeting)	DOD2	M2	12/06/2014	1 hour 02 minutes
15	Director of trading	DOT	AG2	17/06/2014	1 hour 03 minutes
16	Trustee	T1	M2	25/06/2014	1 hour 22 minutes
17	Finance officer	GOV3	DCMS	26/06/2014	1 hour 02 minutes
18	Director of development (2 nd meeting)	DOD2	M2	30/07/2014	1 hour 05 minutes
19	Curator	CUR2	AG2	21/08/2014	1 hour 15 minutes
20	Curator	CUR3	AG2	21/08/2014	1 hour
21	Trustee	T2	M2	26/08/2014	1 hour 10 minutes
22	Chief Curator	CUR4	AG2	23/09/2014	1 hour 02 minutes
23	Director of Risk Management and Internal Audit	DRMIA	M1	29/09/2014	1 hour 15 minutes
24	Principal curator	CUR5	AG2	29/09/2014	1 hour 05 minutes
25	Trustee	T3	AG2	02/10/2014	1 hour 10 minutes
26	Director of Earth Sciences	DES	M1	03/11/2014	1 hour 05 minutes
27	Deputy director of Science	DDS	M1	03/11/2014	1 hour 10 minutes
28	Director of public engagement	DPE2	AG3	13/11/2014	1 hour 15 minutes
29	Grants and contracts manager	MAN	M1	13/11/2014	1 hour 02 minutes
30	Director of fundraising	DOF	AG3	13/11/2014	1 hour 10 minutes
31	Grant operations director (Sponsor)	GOD	S1	18/06/2015	1 hour
32	Head of Museums, Libraries and Archives (Sponsor)	HMLA	S2	13/07/2015	1 hour

Of the thirty-two participants, three were government officers, one was from a lobbying organisation, three were trustees of the MAGs, one was a chief executive officer, one was

a deputy chief executive officer, five were curators, sixteen were senior managers/directors from the MAGs, and two were non-government sponsors of the MAGs.

These participants were chosen because of their decision-making power and knowledge in different areas. The senior management teams of the national MAGs were selected because they have input in the governance system and strategic decision-making power, and ultimately can “make high-profile decisions, thus being able to influence the subsequent stages of the organisation’s operations” (Spence & Rinaldi, 2014, p. 439). For example, two of the government’s officers were in-charge of looking after the MAGs’ funding applications and making necessary decisions with regards to funding and payment requests, whereas one of them was responsible for the process of appointment of the board of trustees, including providing necessary advice regarding the criteria of the candidates. One participant from the lobbying organisation deals with the government regarding issues or concerns raised by the MAGs, and suggestions that can help improve their governance.

The trustees of the MAGs directly report to and are accountable to the Parliament, oversee the governance of the MAGs, challenge the senior management team, and ultimately have the power to make strategic decisions for the organisations. The board members consist of people from different expertise and backgrounds, and hence would have appropriate knowledge in directing the MAGs towards achieving their mission and objectives. The Chief executive officer and the senior management team were directly involved in strategies and operations of the MAGs. The team members deal directly with the board of trustees during meetings, inform the board regarding the MAGs’ activities or any problems, and initiate and defend their proposals. The team members have relevant knowledge and expertise in their respective areas.

The next sub-section provides more detail of the interview process.

4.3.1.1 The interview process

The research mainly used data from semi-structured interviews with senior management and the board of trustees from national MAGs located in London, officers from DCMS, a representative from The National Museums’ Director Council (NMDC) and representatives from non-government sponsors. Three national museums and three art galleries have been chosen for this study because of their importance, strategic location in central London and ease of access. Moreover, their status as national MAGs that

receive a big chunk of government funding makes it important to understand how their governance structure and activities are driven by the government. The scope of the study was extended to a large numbers of MAGs (i.e. three national museums and three art galleries) because an in-depth case study analysis on one or two particular museums or art galleries was not feasible due to limited access to all interviewees at all levels. Interviewing a large number of respondents across six organisations (as opposed to one in-depth case study) helped improve the credibility, reliability and validity of data collected.

Identification of potential interviewees for this research involved the following steps. Firstly, details (name, position within the organisation and name of the organisation) of the potential interviewees (senior management team) were identified and obtained from the recent annual reports and meeting minutes which were publicly available online. Secondly, these names were imported into a Microsoft Excel spreadsheet for record keeping and follow-up. Thirdly, informal emails were sent to the general enquiry contact emails provided by each organisation to: (1) introduce the researcher and her research, and the purpose of sending the emails; (2) confirm that the names of the directors or senior management team were up-to-date; (3) identify any changes of directors and the senior management team due to promotion, resignation, retirement or death; and, (4) request the names of new directors that were not in the annual reports and meeting minutes. Table 4.3 shows an example of the interviewee database that was created in a Microsoft Excel spreadsheet.

Table 4. 3: Example of interviewee database

No	Organisation	Name	Position	Email	Invitation sent	Response	Follow-up sent	Confirmed meeting
1								
2								

On average, responses were received within ten to fourteen working days. Some of the staff's contact addresses (including the senior managers) were available on their organisations' website. This enabled the researcher to contact the relevant directors directly. To speed up the responses, follow-up phone calls were made to the organisations' general telephone numbers. Some secretaries were reluctant to reveal the email address of the directors probably because of confidentiality issues or because the

secretaries were advised not to do so. Upon receiving confirmation regarding the senior management team's details, emails were sent out inviting the senior managers/directors to participate in this research. Invitation letters and interview guides were attached with the emails to enable them have some idea of possible issues that would be discussed during the meeting (see samples of invitation letter and interview guide in Appendix I and II respectively). The interview guide contained issues such as: the roles of national MAGs in modern society; their internal governance structure; reporting mechanism; appointment of the board of trustees; tensions and challenges; and the initiatives to overcome these tensions and challenges. Patton (2002, p. 343) states the interview guide allows the interviewer to "build a conversation within a particular subject area, to word spontaneously, and to establish a conversational style, [while] focusing on a particular subject that has been predetermined". Some participants replied instantly and agreed to participate; some refused to due to their workload and other commitments. A follow-up email was sent after three weeks to those who had not replied to the invitation emails.

Apart from the senior management team of the national MAGs, access was also secured to the National Museum Director's Council (NMDC), a lobbying organisation that represents national and regional MAGs. One participant agreed to be interviewed. NMDC was selected because it acts as a 'bridge' that provides opportunities and spaces for the MAGs to raise issues of concern to government through series of discussion, dialogue and lobbying activities. To obtain a balanced and broad response set, access to the government department (Department for Culture, Media & Sports (DCMS)) was also negotiated. This access was secured through a personal introduction made by the chief executive officer of one of the museums. Access to another government officer from the DCMS was granted through a personal contact with the first participant from the DCMS (i.e. the Director of museum sponsorship). The two senior officers agreed to discuss issues relating to the funding process and the appointment of the board of trustees respectively. Interviews with government representatives were intended to provide an understanding and updated information on current issues relating to the funding, funding agreement, key performance indicators and involvement of government in terms of trustees' appointment. These representatives were knowledgeable about high-level decisions and their rationales from the perspective of the government.

Access to one of the trustees was granted through help of the researcher's supervisor who coincidentally knows one of the trustees. The trustee then introduced the researcher to another trustee from the same museum. From the researcher's experience, it is more

effective to invite the potential participants directly, rather than going through the organisations' general email address or secretaries (the gatekeeper) who may be reluctant to convey the invitation to the relevant directors or senior managers. However, the downside of using this method is that it is very difficult to obtain the directors' valid email address because most organisations do not reveal their senior members' personal email addresses, including those of the board of trustees.

4.3.1.2 Ethical clearance for interviews

As this research involved human participants, the 'Research Ethics Guidelines' of Royal Holloway, University of London were followed. Ethics approval was requested and subsequently approved in November 2013 prior to conducting the formal interviews.

4.3.1.3 Design and pilot testing of interview guide

The pilot test is an important element of a good study design. The pilot test process, which is also called a 'feasibility study', is undertaken at a small scale (Van Teijlingen & Hundley, 2001). The pilot test enables researchers to identify limitations or weaknesses within their interview designs and make necessary amendments to improve the design prior to undertaking formal interviews at a large scale (Daniel, 2010; Flick & Kvale, 2007; Kvale & Brinkmann, 2009). Van Teijlingen & Hendley (2001, p. 1) state that one of the advantages of a pilot study is that "it might give advance warning about where the main research project could fail, where research protocols may not be followed, or whether proposed methods or instruments are inappropriate or too complicated". Remenyi, Williams, Money, and Swartz (1998) argue that a pilot study helps refine data collection and develop relevant questions that can inform the main study.

Prior to conducting the bulk of the interviews, a pilot study was conducted with one participant from one of the art galleries in London. The pilot interview was intended to examine the feasibility of the research and pilot test the interview questions before conducting the remaining interviews. For this study, the pilot interview was undertaken with gallery AG1 (refer Table 4.2). When asked about the possibility of interviewing other senior managers or trustees from the gallery, the representative from AG1 stated that he was the only one available to participate in this research. Furthermore, his position as the Director of Strategy and Policy, and Corporate Governance made him the most suitable candidate who can discuss issues regarding the policy and governance of gallery AG1. During the data collection period, one museum and one art gallery agreed to grant

an interview with only one representative each, which might have resulted in insufficient data collection. However, the researcher was able to minimise this problem through interview sessions with a total of thirteen participants from two museums and twelve participants from two art galleries, in addition to two representatives from non-government sponsors, three representatives from the DCMS and one representative from a lobbying organisation.

The interview guide was based on the themes of the research questions which were informed by the literature. The pilot study enabled the researcher to identify some gaps in the original set of research questions that required further refinement to inform this study. For example, some questions that turned out to be irrelevant were removed from the original interview guide and were replaced with questions that were more focused to the themes of the study.

A preliminary analysis of documents (such as the annual reports, government publishable documents, funding agreements, corporate reports Acts of Parliament and press releases) helped inform and guide the interviews. The document analysis provided a broad understanding of the governance structure, policy and narratives of the organisations, and helped the research to better prepare and articulate critical issues and formulate appropriate questions for discussion. The interview guide was also presented to the researcher's supervisor and an academic researcher for their feedback and comments.

4.3.1.4 The interview process and clarification of ethical standards

Most of the interviews took place in the participants' office, except for five occasions, where the interviews took place in cafés. The benefit of conducting one-to-one interviews is that it provides a more independent response as compared to group interviews, because respondents may be influenced by other participants when providing their opinions.

Three days before the agreed meeting, emails were sent to participants to re-confirm the appointment and provide an interview guide. Prior to conducting the interviewees, two copies of the interview guide and a copy of the consent letter were printed for the participants' reference and signature respectively. The consent letter (see Appendix 3) contained a statement about the participants' rights of withdrawal, not answering questions that they may think as controversial and confidentiality issues.

During the interview session, the researcher started by introducing herself to the participants and her affiliation to Royal Holloway, University of London. The researcher

explained to them about the purpose of her study and the outputs of her research. At this stage, the researcher maintained the importance of adhering to ethical procedures of Royal Holloway, University of London. The participants were explained that approvals from the researcher's PhD supervisors, the director of the PhD programme, as well as the ethical committee of the University was obtained to enable her to undertake the interview. The issues of confidentiality, privacy and security of information were reinforced throughout the entire study. The researcher requested the participants to provide their views to the best of their knowledge based on their expertise, and explained to them that there were no right or wrong answers (Darlington & Scott, 2002). The participants were also informed that their names and personal information would be kept confidential, although the name of the organisation may become apparent to a reader familiar with their operations. They were also informed that the interviews were voluntary and that they could withdraw from the interview session at any time. All these issues were highlighted in the invitation letter attached to the interview guide and were explained prior to starting the interview. To enable paying attention to the discussion, their approval to record the interview discussion was asked. This request was granted by all participants. The interview sessions lasted between one hour to one hour and twenty-five minutes.

4.3.1.5 Interview data analysis

Data collection and analysis processes are considered to be inter-related (Brewer, 2002). Thinking and writing are circular processes that are carried out gradually as the research progresses (Huff, 1999). Wolcott (2001, p. 32-33) explains interpretation and analysis as two distinctive processes as follows:

...analysis as more limited, more precise, and more clearly defined role that is used to examine data using systematic and standardised measures and procedures. Interpretation, on the other hand is not derived from rigorous, agreed-upon, carefully specified procedures, but from our efforts at sense-making, a human activity that includes intuition, past experience, emotion... Interpretation invites the examination, the "pondering" of data in terms of what people make of it.

All interviews were conducted in English. These were transcribed during the night and the following day to provide the researcher with a 'fresh' reflection on the main themes discussed. Transcription enables oral data to be transformed into a textual form for the purpose of analysis. Most of the recordings were clear and easy to transcribe, except for the five interviews that took place in the cafés, due to interference from people's conversations, tinkling sound of cups and plates, and other background noises. All

interviews were carefully listened to once or twice depending on the clarity of the conversations. For interviews that took place in the cafés, the researcher had to listen carefully and tried to make sense of the conversations by listening to them a few times.

The interviews were transcribed in Word documents. Each transcript was double-checked by playing back the tape recorder to identify any gaps or errors in-between the conversations. The process of repeating the conversations enabled me to minimise the risk of potential errors or missing some key themes, thus providing me with valid and reliable data (Yin, 2003, 2008). During this process, important themes were identified such as governance, accountability, key performance indicators, tensions and challenges and appointment of the board of trustees that were brought up repeatedly during the interviews to ground the theoretical framework. The themes were used to help answer four research questions. Table 4.4 below provides a number of the key themes used to answer the four research questions (a detailed breakdown of the research questions will be presented in Appendix 1).

Table 4. 4: Selection of key themes based on the research questions

Research questions	Finding chapters	Key themes
1. What purpose do UK national MAGs serve in modern society?	Five (5)	The roles of the MAGs
2. How are the UK national MAGs controlled by the government and why are they so controlled?	Five (5)	Government’s aspirations, governance structure, regulatory framework, board of trustees, key performance indicators, funding agreement
3. How do the UK national MAGs govern themselves to discharge their accountability?	Six (6)	Governance, accountability, government, sponsors, funding
4. What key governance challenges and tensions do the MAGs face?	Six (6)	Tensions, challenges, restriction

Source: Author’s own

Subsequently, quotations that contained the relevant key themes were highlighted and classified based their respective chapters. For example, the key themes on the roles of the MAGs which would answer research question 1 were classified for discussion in Chapter 5.

Additionally, a qualitative software, Nvivo 10, was used to facilitate data analysis. This software was used to code and group the relevant key themes from all transcriptions in order to store data and enable easy retrieval. The software was used primarily for “storing ideas and reflections” through codes (Richards, 2002, p. 29) and for conducting text searches. Nvivo was not used for sophisticated coding analysis.

4.3.1.6 Validity and reliability issues

Validity generally refers to “the extent to which conclusions drawn in research give an accurate description or explanation of what happened”, whilst reliability refers to “the extent to which a measure, procedure, or instrument yields the same results on repeated trials” (Kihn & Ihantola, 2015, p.4). However, Northcott and Doolin (2008, p.7) state that validity in qualitative research “is more about demonstrating contextual validity than achieving the internal validity emphasised in quantitative research”, meaning that “the evidence presented, the way it is interpreted, and the conclusions drawn from it, must all be credible”.

Creswell and Miller (2000, pp.125-126) define validity as “how accurately the account represents participants’ realities of the social phenomena and is credible to them”. Three main criteria that are generally used to assess the validity and reliability claims by interviewees are ‘*plausibility*’, ‘*credibility*’ and ‘*corroborating evidence*’ from other reports (Corbin & Strauss, 2003, 2008). *Plausibility* refers to our judgment as to whether the claims made by interviewees are likely to be correct or true based on our knowledge of a particular research. *Credibility* refers to whether the researcher’s “judgment of matters relating to the claim would be accurate given the nature of the phenomena concerned” and the reliability and expertise of the informant (Hammersley, 1990, p. 61). If a claim is neither sufficiently plausible nor sufficiently credible then other forms of “evidence”, such as those based on documents, are required (Hammersley, 1990, p. 61-62). During the interview processes, it was acknowledged that interviewees’ responses may be influenced by the researcher (Brewer, 2002) . This form of reactivity which is known as ‘interview effects’ (Hammersley, 1992) as a result of the researchers attitude and procedures, has been subjected to considerable investigation (Hammersley & Atkinson, 2007, p. 10).

This study has employed the following strategies to maintain its validity and reliability:

1. The researcher attempted to minimise these ‘interview effects’ by not imposing her own views and influencing the interviewees’ views because these reactions may compromise validity or reliability of data (Fielding, 1993). The interviewer’s bias is an important issue that was being considered seriously throughout the whole interview process in order to minimise a tendency towards conscious or unconscious subjectivity (Fielding, 1993).
2. The knowledge of an informant’s mental set and how it influences his perception about an event is an important issue when considering the validity of data obtained. This can be detected by comparing this information with the information provided by other informants.
3. To avoid losing data, all interview transcriptions were transferred from the digital tape recorder to the computer’s hard drive as backup. These data were used for listening again, and for checking and correcting the transcripts – this helped increase the robustness of the analysis.

4.3.2 Analysis of documents

Documents are an important source of written evidence (Creswell, 2013) that can be used to corroborate evidence from other sources (Yin, 2008). This study uses evidence from documents to reinforce and supplement data from semi-structured interviews. The documents are comprised of annual reports of the national MAGs for the years ending in 2013 and 2014, the annual review, government’s publications, email correspondence, and news updates. Secondary data are “data used for a research project that were originally collected for some other purpose” (Saunders et al., 2007, p. 611). Most of Foucault’s works are based on archival documents. As a secondary source, this thesis uses analysis of publicly available documents to complement the semi-structured interviews. The documents provided the basis for probing important issues during interviews.

A preliminary analysis of relevant documents was undertaken beforehand to enable understanding of the organisation’s governance structure and policy, and to allow for effective discussion with the participant by discussing issues included in their documents. An analysis of documents was important at this stage in helping articulate critical issues and formulates appropriate questions for discussion.

4.3.2.1 Justification for using documents

The publicly available documents have been selected because they contain discourses used by management to discharge their accountability by conveying both financial and non-financial information to a wide range of stakeholders (Brennan, Guillaumon-Saorin, & Pierce, 2009; Campbell, McPhail, & Slack, 2009). According to Foucault (1972, p. 27), discourse refers to “the totality of all effective statements (whether spoken or written)” and includes things that are thought, said (e.g. interviews) and written (e.g. texts) about a subject and the practices, structures, rules and norms operating in the social context. There are many ways of seeing and talking about the world and acknowledging that many discourses operate simultaneously. The analysis of information contained in the annual reports of MAGs has provided insights into their objectives and governance, their funding structure, their activities, the stakeholders to whom they discharge their accountability to and the nature of the accountability discourses and relationships. Management use narratives to justify how funds have been used and what activities have been undertaken to contribute towards the economy, social, community and culture objectives of the organisation. The directors’ and curators’ statements, mission and objective, key achievements, activities and events were analysed and relevant verbatim quotations were used to illustrate governance and accountability issues.

Documents provide factual, reliable and valid information that can be used to understand an organisation’s mission and strategy and accountability responsibility. Carnegie & Wolnizer (1996, p. 85) use annual reports because these documents provide financial and non-financial indicators that enable the museums’ accountability responsibility to be assessed in the context of their operation, and “international and organisational cultural values that are the *raison d’être* for the preservation, conservation, presentation, investigation and public enjoyment of the worlds’ collections”. The information is publicly available, hence, data is analysed quickly without having to contact the organisation. Documents also eliminate the potential of information being distorted through my interaction with the respondents (Corbetta, 2003) and my perceptions as a researcher about them. Ball (2011, p. 117) argues that analysis of documents is unobtrusive and “fully non-reactive” because “the researcher cannot affect the phenomena studied”.

However it is also acknowledged that documents can be used to manipulate and distort readers in order to portray the good image of an organisation. While various forms of documents including pictures and visual images are “powerful tools of

communication” (Davison, 2007, p. 134), a number of studies have criticised the multifaceted role of documents that may be used as a ‘window dressing’ tool by the management to impress readers (Aerts, 1994, 2001; Brennan, Daly, & Harrington, 2010; Brennan et al., 2009; Campbell et al., 2009; Davison, 2010, 2014), which may threaten the validity and reliability of qualitative research.

In their study on accountability in Australian museums, Carnegie & Wolnizer (1996, p. 85) acknowledged that there is a tendency to manipulate the financial reports for commercial purposes, which affects accountability responsibility and diverts attention from the significant contribution of museums by including “values” that are not only without commercial (market) referents, but which have the potential to diminish and stultify the non-financial (broader social) values of collections”. It is also difficult to verify the accuracy and legitimacy of the information as analysis is usually based on researchers’ intuition and interpretation, while they are not bound to prove its truthfulness (Cohen, 1977). This study also acknowledges that the annual reports may be used by trustees and senior management to paint a reality that they wish to portray to their principals (Campbell et al., 2009) and corporate sponsors to convince them to provide financial and non-financial assistance.

Multiple sources of data help minimise the problem of inaccuracy and unreliability of information. Hence, this is the reason why this study has adopted two methods; semi-structured interviews as a primary source and analysis of documents to supplement the interview method.

4.3.2.2 Secondary data analysis

A wide range of documents was reviewed to provide better understanding of the national MAGs’ governance structure. Documents comprising of the MAGs’ annual reports for the years ending in 2012-2013 and 2013-2014, the MAGs’ annual reviews, government publications, the Museums and Galleries Act 1992, the Heritage Act 2002, the British Museum Act 1963, news updates and emails were used to understand how activities were undertaken and their accountability practices.

The documents were read thoroughly to obtain understanding regarding the MAGs’ governance and activities, and to identify some key themes for the purpose of analysis. These key themes include ‘governance’ ‘accountability’, ‘funding’, ‘key performance indicators’, ‘challenges’ and ‘tension’. Identification of the main key themes was helpful to extract information and use some of the important quotations. The process of searching

these key themes was easy because documents were available in the form of PDFs. Once identified, these key themes were then highlighted to ensure information was not missing from the analysis. Some notes were also made on the sections of interest.

All PDF and MS Word documents were downloaded and saved for the purpose of reading, analysis and easy retrieval whenever needed.

The following steps were undertaken to maintain the validity and reliability of the analysis:

1. The annual reports and annual reviews of the MAGs, government publications, funding agreement and emails were read thoroughly to obtain understanding regarding the MAGs' governance and activities and provide valid and reliable analysis.
2. To ensure validity and accuracy of analysis, information was obtained from the latest annual reports (i.e. the years ending in 2012-2013 and 2013-2014) and news, which reflects the present situation of the MAGs or government policy. This way, presentation of outdated information can be minimised.

4.4 Conclusion

This chapter has provided an overview of the research methodology and methods used in this study. Three main research paradigms and their ontology, epistemology and methods were discussed. A critical paradigm was considered suitable and hence was adopted because of its strength in understanding the influence of structures on agency and vice versa. More specifically, it helps us to understand the influence of culture, politics, ideology, power, language, and technologies of governing on MAGs.

Semi-structured interviews were undertaken with participants from the DCMS, a lobbying organisation, trustees, chief executive officers, senior managers from three national museums and three national galleries in London, and sponsors. Interviews were undertaken for a period of about 17 months (from February 2014 to July 2015). Secondary data were collected from documents available from published sources. The main motivation for using the interview method was to gain in-depth understanding regarding the governance and activities of the national MAGs, their roles, funding structure, key performance indicators and other relevant issues. The interviews were used to tease out some issues that may not be covered in the documents.

This thesis now turns to the findings obtained from a broad range of interviews and documents analysis. The next chapter discusses the findings based on the first two

research questions: (1) What purposes do UK national MAGs serve in modern society? and (2) How are the UK national MAGs controlled by the government and why are they so controlled? The subsequent two research questions will be answered in chapter 6.

CHAPTER 5

The governance of MAGs: Understanding their roles in modern society and the mechanisms used by government to control their behaviour

5.1 Introduction

Foucault's concept of governmentality was developed in Chapter 3 to provide a possible explanation of how the government monitors and conditions the behaviour of the MAGs, and how the MAGs conduct themselves. Chapter 4 discussed the research methodology and method adopted in this thesis. The methods used for this thesis were semi-structured interviews and analysis of documents.

This chapter answers the first two research questions: i.e. What purposes do UK national MAGs serve in modern society? And, how are the UK national MAGs controlled by the government and why are they so controlled? The next chapter (Chapter 6) answers the remaining two research questions, i.e. How do the UK national MAGs govern themselves to discharge their accountability? And, what key governance challenges and tensions do the UK national MAGs face?

This chapter is organised as follows. The next section discusses the government's aspiration to improve the wellbeing of its population. Section 5.3 discusses the roles of the MAGs in helping the government to achieve its aspirations. Section 5.4 discusses the control mechanisms used by the government to condition the behaviour of the MAGs. Section 5.5 concludes the chapter.

5.2 Government's aspirations to improve the wellbeing of the population

Foucault (2007) states that the wealth and happiness of the population can be achieved through the strength of the country's economy and the household's income, and the stability of the cultural and political environment of the country. The art of governing the population (Foucault, 1991b, 2009) can be perceived as the government's strategy to maintain its political power. A good standard of living and a healthy lifestyle create harmony within the society which in turn, strengthens the position of the political party in power because it gains continued support from the population.

The government's aspirations to improve the wellbeing of the population can be seen through various initiatives, such as the development, improvement and maintenance of health, the economy, education, security, entertainment, and culture, among others. These initiatives can be materialised through the mobilisation of governance mechanisms

through government agencies, non-departmental public bodies, non-government organisations and the private sector. As non-departmental public bodies, the national MAGs play an important role in helping the government to achieve its aspirations. These organisations are among the country's economic drivers, apart from their traditional role in providing spaces for social and recreational activities to diverse groups.

To increase the number of visitors into the MAGs, the government (under the Labour party) reintroduced free admission in 2001 so that people from the low echelons in society would have the opportunity to visit and view exhibitions and join various activities. This policy was then maintained by the later coalition government of the Conservative and Liberal Democrat parties when they took office in 2010 (HM Treasury, 2010). Since the reintroduction of free entrance, the number of visitors to the national MAGs has continuously increased, although the percentage increase fluctuated over the four years between the financial years of 2009/2010 to 2013/2014 (see table 5.1).

Table 5. 1: National museums and galleries yearly visit figures

Financial year	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
British Museum	5,643,708	5,869,396	5,841,658	5,592,814	6,758,935
Geffrye Museum	91,416	102,914	104,945	105,391	113,014
Horniman Museum	621,301	584,974	509,279	616,075	698,051
Imperial War Museum	2,079,264	2,317,639	2,253,210	1,990,278	1,875,923
National Gallery	4,695,000	5,085,000	5,358,000	5,376,000	5,903,000
Natural History Museum	4,378,567	4,809,647	4,946,981	5,288,349	5,571,539
Royal Museums Greenwich	2,378,786	2,433,163	1,858,538	1,929,199	2,475,490
National Museum Liverpool	2,272,981	2,622,228	3,184,995	3,267,585	2,710,185
National Coal Mining Museum	118,417	107,582	101,403	119,800	125,317
Science Museum Group	4,271,189	4,094,493	4,333,086	5,150,000	5,709,000
National Portrait Gallery	1,984,464	1,758,522	2,042,224	2,054,027	1,988,449
Royal Armouries	343,834	343,582	284,069	1,810,783	1,941,533
Sir John Soane's Museum	108,595	111,387	109,527	109,018	121,241
Tate Gallery (Group)	7,054,932	7,457,406	7,051,033	7,751,860	7,029,072
Tyne & Wear Museum	2,286,737	2,023,249	1,798,080	1,740,863	1,746,518
Victoria & Albert Museum	2,746,050	3,048,887	3,334,820	3,715,952	3,646,744
TOTAL	41,075,241	42,770,069	43,111,848	46,617,994	48,414,011
Increase in visitor numbers	-	1,694,828	341,779	3,506,146	1,796,017
Increase in percentage (%)		4.13	0.80	8.13	3.85

Source: DCMS (2015)

The increase was acknowledged by one senior management staff member who has been working for a museum that charged for entrance prior to 2001:

More than ten years ago, when I first joined in, we used to charge visitors. Since the museum provided free admissions as required by the government, the number of visitors has increased a lot, from approximately 2 million a year to about 6 million a year. I think this increase is due to the free access as well as the way that we market ourselves (DRMIA, M1).

The government's strategy to remove entrance fees to visit the MAGs was to attract more people who could benefit from the activities of the MAGs. Activities (such as viewing exhibitions, participating in family oriented activities, and learning new things) help to develop self-esteem and enjoyment among visitors. Moreover, education and research programmes are meant to boost young people's knowledge and skills and provide them with career opportunities in fields such as the performing arts, scientific education, engineering, mathematics, information technology and cultural studies. Consequently, the knowledge and education attained can help individuals gain power to manage, control and govern themselves and others (Foucault, 1980, 2002). Cultural and social activities create an opportunity for understanding different cultures and the identities of people from different ethnic groups. The activities are also aimed at introducing British history to people from all around the world. In this respect, MAGs play a significant role as leading agents to consolidate and act toward social and ethnic inclusion through the range of programmes they have developed or initiated (NMDC, 2014a).

The next sub-section further discusses government's aspirations in improving the life of the population through mobilisation of the MAGs.

5.2.1 Improvement of education and research

Knowledge can be obtained in any form, through formal or informal education and through experiences gained from activities or workplaces (Foucault, 1972). In the field of education, the government provides initiatives to school children and young generations to learn and understand subjects relevant to cultural and historical events, science, technology, engineering and mathematics (STEM), and performing arts. These subjects help people to develop skills, knowledge, understanding of different cultures and art, and create awareness of their importance for future generations. The Museums Association explained the role of museums in its 'education agenda campaign' as follows:

(Department for Education) DfE and DCMS have jointly invested in programmes that strengthen the capacity of museums and galleries to support children and young people's education. Funders such as the Heritage Lottery Fund have encouraged applicants to include specific learning elements within their projects. DfE is developing a manifesto for Education outside the Classroom, which

highlights the contribution that museums and others can make to children's learning (Museums Association, 2015).

The government encourages participation not only from young children, but also from women and people from ethnic minority communities to participate in educational programmes. This is in line with the government's political agenda of providing equal opportunity to women and people from ethnic minority communities to improve their skills and knowledge so as to increase their representation in specialised areas such as STEM subjects. Furthermore, the quality of students' skills in core STEM subjects is still lagging behind other countries, which requires serious consideration. As explained by the Director of Development from one museum:

...this country is not very good at mathematic and literacy – we are not well placed in the world at all. There is an initiative that comes out of government about how to get new people to study Science, Technology, Engineering and Maths (STEM) (DOD2, M2).

To overcome the problems mentioned above, in early 2014, a new campaign targeting young people (especially women) was launched to boost their participation in 'STEM' subjects. The campaign, which was co-organised by the Science Museum (along with 170 other organisations and higher education institutions), highlighted some potential career prospects to participants including apprenticeships, graduate work and skilled work (HM Treasury, 2014). The campaign was launched by the Chancellor of the Exchequer, Rt. Hon. George Osborne MP, who said:

Backing growth in sectors such as science, technology and engineering is part of our long-term plan to deliver economic security and sustainable growth for a more resilient economy. This campaign, which brings together some of Britain's best businesses, institutions and government, will help inspire young people into jobs in these exciting sectors that are essential to our economic prosperity (HM Treasury, 2014).

A study by O'Brien & Candlin (2001) suggests that in contrast to the perception that MAGs are "storehouses of treasures in which staff research, preserve and display objects", (p. 1) the government's policy requires these organisations to play a bigger role:

"Rather than placing the emphasis upon exhibition and collection management, current policy urges museums to develop educational programmes that focus on issues of social inclusion, life skills and employment" (HM Treasury, 2014).

Foucault (2002) suggests that research activities contribute to creating value and knowledge, by forming or developing new technologies and innovations. These technologies enable the creation of power to control the conduct of people and make them

docile (Foucault, 1991a). Within their remit, the MAGs were expected to contribute toward various research activities in line with the Museums and Galleries Act 1992, Section 2 (1)(c) which stated that MAGs should: “*secure that the works of art and the documents are available to persons seeking to inspect them in connection with study or research*”. Research subject areas include: pharmaceutical and medical, science and technology, cultural heritage, performing arts and fashion design. MAGs are expected to play their role by undertaking research activities and collaborating with universities. One trustee commented that the museums may carry the government’s agenda in disseminating information on science and its history to society:

[The Museum] provides access to history of various sciences to all parts of the society, and understanding, not only the way in which kinds of science understandings are developed, but also the processes by which these are developed. These activities are important to society (T1, M2).

Research on climate and environmental studies are increasingly important in the recent decades. Problems relating to climate change, global warming, and environmental pollution, which affect people’s lives and future generations, require intense study in order to understand the causes and control mechanisms. A trustee from one museum suggested that “*scientific understanding of climate change issues are important for future generations*” (T1, M2).

The development of education, learning and research activities enhances employment prospects for the communities and future generations. Education and learning processes through activities and scientific experiments enable young children to develop creativity and innovation at the very early stage of their life, and motivate them to choose suitable career paths. Although the national MAGs provide informal teaching and learning facilities, the government has interest in ensuring that their educational and learning programmes are in congruence with its aspirations. The Director of Development of one museum commented that:

... because of who we are, being science-based, innovation and skills, the government have vested interest in us (although they don’t have financial interest in us). Because they are responsible for research and development, they are responsible for ensuring there is a pipeline, scientists, engineers, mathematicians, to work in industry to help the UK economy. We work with them to inform policy decisions as well, engaging people into study to enhance careers and help the economy (DOD2, M2).

Education and learning are the population’s basic needs which enable them to be knowledgeable in different subject areas, thus help improving their own skills and

expertise, and better their standard of living. The government therefore is responsible to ensure that education and learning activities are given high priority to strengthen the quality of its population.

5.2.2 Improvement of economy, cultural and social cohesion

Foucault (1991a) states that to be able to govern, one must be able to manage his/her own economy. MAGs play an important role in the government's aspiration of improving the economic/financial wellbeing, and cultural and social cohesion of the population (Gray, 2011). MAGs generate income through the tourism industry. Their marketing campaign helps attract tourists to visit the MAGs, as reported by the National Museums Directors' Council (NMDC). This increase may be driven by the fact that the UK has rich cultural resources to offer. A report by the House of Lords (2013, pp 731-732.) explained the international significance of UK national MAGs, and why they act as a magnet for tourism activities:

The objects in museums' collections tell stories about people, places, nature and thought. The stories told by these objects, brought to life by their study and display, help more easily explore common themes and threads through history and relate these to the present day. Some of the most comprehensive and internationally significant collections of natural history, ethnography, social history, technology, art, literature and design are held by UK museums. The stories these museums tell are world stories. Consequently, to maintain their international pre-eminence, national and major regional museums have to maintain high standards of scholarship, collections care, visitor experience and engagement, and display... Museums are uniquely able to present objects and exhibitions in a contemplative environment, allowing visitors to explore their own culture, history and identity, as well as that of those they see as "other" (House of Lords, 2013).

The NMDC report (2013) revealed that the "UK has been ranked 3rd in the world for cultural resources by the World Economic Forum and is the seventh most competitive visitor economy". The report also stated that:

The pull of the UK's diverse museums and art galleries helped to secure £1 billion of inbound visitor spending in 2009. Overseas visits to national museums have increased by 95% in the past decade, with over 19 million overseas visits in 2011/12. Museums are a key strength for the UK's international brand and a motivator to visit, and are a popular activity for both domestic and international visitors (NMDC, 2013).

As a result of the increasing number of visitors, one museum generated income more than the amount it received from government funding:

Imperial War Museums' economic impact in terms of tourism is forecast to be £83.6 million per annum in 2012-13. This is more than four times the amount of DCMS revenue funding they receive (NMDC, 2013).

A curator from one gallery stated that almost half of the total visitor numbers come from overseas:

About 40% to 50%, particularly during the summer period, of our visitors to the gallery are from overseas (CUR4, AG2).

The curator commented that the gallery has to ensure that the needs of these international visitors are met by facilitating them with good services to ensure that they feel welcomed:

I think we welcome people and say this is open to everybody (CUR4, AG2).

Another participant from the same organisation commented that visitors that come from different regions around the world come to the gallery with the expectation to learn and understand about the British history. Therefore, various supports have been initiated to improve visitors' understanding.

English isn't necessary their first language. So how can we explain this gallery, which is about history and people who contributed to British history, to somebody who doesn't understand British History and doesn't know that Stuart follows the Tudors. In fact, people in this country even don't know anything about this (DOR, AG2).

In addition to attracting international visitors, the government's agenda is also to encourage more domestic tourists to visit the national MAGs. Undoubtedly, domestic tourism plays a main role in contributing towards the country's economy:

Museums are the most popular visitor attractions for domestic holidaymakers within Great Britain. 6.1 million UK trips included a visit to at least one museum with a further 2.91 million including a visit to at least one art gallery. Trips including a visit to a museum account for £1.75bn of spending by domestic tourists. Trips including a visit to an art gallery account for £923m spending (NMDC, 2013).

The government believes that development of cultural and societal programmes are fundamental aspects for the wellbeing of the population (Museum Association, 2012). Through understanding different cultures, the problem of social exclusion can be eliminated, where people from diverse backgrounds gain the opportunity to engage and create societal change. Social exclusion may arise as a result of problems such as unemployment, low income, high crime rates, poor housing and family problems (Lawley, 2003).

In February 2001, the DCMS issued specific policy guidance for museums, galleries and archives, highlighting their role in helping to promote social inclusion. The overarching inclusion policy objective was stated as follows:

Social inclusion should be mainstreamed as a policy priority for all libraries, museums, galleries and archives (DCMS, 2001).

More specifically, the document recommended MAGs to promote social inclusion by: (1) providing the widest possible access to collections and using information technology to make collections more accessible; (2) engaging in outreach activities to reflect the needs of minority groups and the community by identifying their needs and requirements; (3) developing activities that can help improve the socially excluded people and further develop their role and act as agents of social change.

In summary, the government's main objective is to govern the population by catering for their economic, social and cultural wellbeing. MAGs are tools that governments use to govern the population and further their political agendas. A good standard of living motivates people to conduct themselves properly and indirectly enables the government to condition their behaviour (Foucault, 1988, 1991b). Along with other institutions, the national MAGs can help the government achieve its aspiration in motivating people to become good citizens. However, these organisations mobilise different means in order to achieve their objective of creating good behaviour among the population. The next section discusses the roles that the national MAGs play in modern society in response to the government's aspirations.

5.3 Purposes/roles of UK national MAGs: Activities to benefit the population

Foucault's (2009) notion of governing the population involves 'how and who to govern and why' and 'who governs'. This notion is intended to identify the 'governor' and the 'governed' so that strategies can be implemented to create happiness among the population (the governed), create political stability, and allow the government (governor) to exercise its power appropriately. As one of the government's governing technologies, the MAGs' have emerged, as discussed in the following subsections.

5.3.1 Preservation of culture and heritage

MAGs are the centres for preservation of a country's culture and heritage for young and future generations. Section 2(1) (a-d) of the Museums and Galleries Act (1992) enshrines their roles as follows:

....shall maintain a collection of works of art, of the principally consisting of pictures, of established merit or significance, and documents relating to those works, and shall: (a) care for, preserve and add to the works of art and the documents in their collection; (b) secure that the works of art are exhibited to the public; (c) secure that the works of art and the documents are available to persons seeking to inspect them in connection with study or research; and (d) generally promote the public's enjoyment and understanding of painting and other fine art.

When probed about the roles of the MAGs in preserving collections and artefacts, a director from one museum explained:

We [the MAGs] have artefacts that represent our heritage which we have a duty to take care of. We also have an ethical duty to conserve, preserve, archive and ultimately, (which is a critical one) make our collections accessible at the national and international levels. I think that is one of the legal stances why we exist, which comes under the Heritage Act (DOD2, M2).

Furthermore, MAGs provide an account of the society's cultural heritage, in terms of how the civilisation evolved, where the ancestors came from, how they lived, and the conflicts and wars that occurred, among others. As explained by a director:

It is not just this museum but all museums are really important place in our culture and society. I think, particularly, when times are hard, when either the country has been in conflict or there has been a recession, that is the time when people would look to their cultural heritage...They are important and also represent symbols of civilisation, something that you can walk into the museum and look at faces, people who are living and working and making their mark on this country five or six hundred years ago (DOT, AG2).

Many decades ago, the MAGs focussed on a small group of people, particularly the elite class. However, MAGs now focus on promoting inclusion among the various social classes and ethnic groups. A trustee from one museum commented that:

In the past it was more of an elite culture. But now it is about the mass population, particularly younger people, and people who come from deprived backgrounds (T2, M2).

When asked to comment on the reason for the change in the role of MAGs, the trustee explained that:

MAGs are not changing due to modern society only, but also because they are government funded. No Western democratic government could afford to fund something that is generally just for the elite...Because government has to use taxpayers' money and, the taxpayers' money needs to go back to that part of society that needed the most (T2, M2).

In addition, MAGs provide spaces which motivate the population to educate and behave themselves, through culture, identity and knowledge (Bennett, 1995). These organisations

may be perceived as places which “present the United Kingdom to the world and the world to the diverse peoples of the United Kingdom” and places for “essential centres of learning for students of all ages, scholars and creators, as well as for the millions of visitors, both physical and virtual, from every community and cultural background” (NMDC, 2004, p. 1). The MAGs may no longer be perceived as ‘stale’ or boring places that only cater for certain groups of the population, rather they serve a duty to the public to make sure that art, culture and history are accessible to all. One director from an art gallery commented that:

That is why I moved to work for national museums in the UK, because they provide free admission to everybody. Otherwise, I would be working in a museum which caters only for the rich and people who can afford it and only for people who have very specific interests. We are about making sure that everybody has access and able to see, and I think that keeps us lively, otherwise we are kind of stale, a place which is full of rich people (DOF, AG3).

MAGs help create understanding and knowledge regarding different cultures around the world through their role as a repository of memories in particular times and space settings. For example, a director from one museum explained:

We are here as a repository of human culture, and culture encompasses religion and beliefs. But also about people who uses nationhood, states, or their ethnicity so there's lots of blurring across whether that is about religion. An exhibition like hajj is clearly religious, in terms of explaining the reason of that. It is an experience for those who can perform the hajj, experience to have great understanding so it is to establish people's awareness, that non-Muslims cannot perform hajj (DOG3, M3).

MAGs play an important role of preserving a country's cultural heritage and creating national identities of the population. The sense of identity and belongingness strengthen bonds in society and creates compassion and tolerance, which in turn contributes to happiness, political stability, civil obedience, and law and order (i.e. Foucault's (2007) notion of conducting the population).

5.3.2 Creating knowledge about different subject areas, culture, history and society

MAGs help advance knowledge in the areas of the performing arts, culture, history, science, mathematics, engineering and geography. One museum explained the education activities they provide, such as shows, storytelling dramas, participation with families, recordings, and questions and answer sessions, as follows:

This year we welcomed a record-breaking 442,000 visitors in education groups, of which 341,000 were school pupils. In total there were 795,000 instances of people

taking part in on-site facilitated learning activities at the museum (Annual report 2013-2014, M2).

MAGs are also part of research-active institutions. They collaborate with higher education institutions to form research centres where some researchers can use many of their equipment and expertise to undertake research and publish their work.

In terms of research, I think, certainly we are still relevant, that is, as you said, growing from an academic research point of view. We have a lot of work with Kings College, Sheffield Hallam, Oxford, Cambridge and a few others (DOD2, M2).

MAGs have their own unique ways of generating knowledge. For example, Museum 1 collects and keeps specimens while Museum 2 collects and keeps scientific objects. The development director of Museum 2 explained that they provide expertise and engage in communication through objects to disseminate knowledge, but do not train PhD researchers:

We don't train PhD researchers ... We are kind of different, our offers for internship are very much in science communication engagement. We inspire through the objects we display... We have a lot of work with King's College, Sheffield Hallam, Oxford, Cambridge and a few others. We are sharing expertise. Unlike, for example, the museum next door, we don't have PhD research as our own students, where we receive external funding, to have maybe four or five PhD students a year, whereas the museum next door, they are doing real life research, as you may find it in a university. We don't do that. We are kind of different; our offers are very much in science communication engagement and inspiration through the objects (DOD2, M2).

However, the CEO of Museum 1 explained that the museum collaborates with higher education institutions to supervise PhDs and teach post-graduate courses although it does not award degrees. At the end of the process the collaborated universities award degrees to successful students:

We teach MSc courses with Imperial College and the University College. We don't award degrees because we are not a higher education institution, but we would have project supervisors here and indeed we have about 120 post-graduate students here at any one time, studying for taught master's courses but also doing research for PhDs. There, one of our scientists would be co-supervisor in the parent university; the university awards the degree at the end of the process (CEO, M1).

The same CEO explained that the museum applies for doctoral training partnership and collaborates with universities when applying for funding to the research council to improve its research profile:

Another example is, the research council has just reviewed how they are funding doctoral training, and we have put in grant applications to a number of research councils through our doctoral training partnerships. In fact, we are involved in

three quite big consortiums, one case, with the University College, principally with University of Southampton and a number of universities in the West, Cardiff, Bristol and Exeter (CEO, M1).

One museum that is actively involved in scientific research commented that the number of publications in journals form one of the KPIs that they submit to the DCMS. This indicates the importance of the potential impact of their research on readers:

The number of scientific papers that we publish would be an important matrix to us but it probably not to most of the other museums. So that is something that we take interest in (CEO, M1).

MAGs contribute to creating knowledge by working closely with schools and universities. This was explained in the annual report of one museum:

In September 2013 the third European Council funded event Science Uncovered took place in the Museum. Working with 37 partner organisations, the event attracted over 10,000 public visitors to South Kensington and Tring for an evening of extensive contact and interaction with the Museum's scientific activities and staff, demonstrating the importance of scientific research and collections-based study, and encouraging young people to consider taking up careers in research (Annual report 2013-2014, M1).

The MAGs collaborate and engage with disadvantaged and young people to create and extend their impact in education, heritage and science sectors. The initiatives included partnership outreach projects, workshops, trainings, events, etc. As reported in the annual report of a museum:

Enterprising Science was launched in July. This is a five -year partnership between the Museum, King's College London and BP, bringing together expertise, research and experience in informal science learning. The aim of the project is ultimately to improve post-16 participation in science at all levels and our approach is to build science capital through increased science discourse between secondary school teachers, young people, their families and museums and science centres... The Museum has been partnering SS Great Britain Trust in Bristol in the Arts Council's strategic Museums and Schools Programme, funded by Department for Education for three years. The aim of the programme is to increase the number of high quality educational visits by schools to local museums, in ten regional areas where participation in cultural learning activities is low... (Annual report 2013-2014, M2).

MAGs work with schools and introduce their outreach programmes and train teachers. As explained by one director from a museum:

We have education at all levels, schools, universities, we work with them, we have outreach programmes, we train teachers to become a much more inspiring science teacher and we produce products so that they can be used in the classrooms. We also go to schools across the country (DOD2, M2).

Research councils fund MAGs to undertake research activities. As explained by the CEO of a museum:

Well, the biggest individual funder was the European Union because we have some European Union programmes. We probably receive more Natural Environment Research Council (NERC) funding than any other research councils (CEO, M1).

A director from another museum explained their sources of research funding:

The British Petroleum funded our projects that involve a major research programme with Kings College. We also apply directly to the research council, mainly the Arts and Humanity Research Council (AHRC) and occasionally, the other one is the Engineering and Physical Science Research Council (EPSRC). So we apply to all the same places that academics would apply. Not directly from DCMS, although we could use the grant-in-aid. We fund the research team, the curators, but to do special projects we always look for external funders. We have substantial amounts from the AHRC which is public funding (DOG2, M2).

On a similar issue, one director from another museum said:

Our research programmes are massively growing over the last five to six years; we now have secured around £4m pounds in research funding. This funding was probably less than £500,000 a year in the past five years. So we are relying more on research councils and places like the Leverhulme Trust, the Wellcome Trust, and other ranges of large foundations who fund our arts and scientific research (DOG3, M3).

A principal curator from a museum commented that MAGs are among the big research and scientific institutions in society:

Most people think we have dinosaurs, and kids come in for the dinosaurs. No, we are actually a big research and scientific institution in the world (CUR5, M1).

A trustee from a museum explained that MAGs facilitate the research process by educating the public about the research process and providing access to resources such as artefacts, books and documents:

The principle thing is introducing people to the idea of the process by which scientific understanding is developed. MAGs contribute to research activities by providing access to artefacts, books and documents in explaining the processes by which science understanding has been developed (T1, M2).

A letter from the Chair of Research Councils UK to the Head of Cultural Education from the DCMS argued that research enriches understanding, contributes to improving the quality of life and is at the heart of culture and cultural education:

Throughout history, researchers have had the vision and the courage to question the world around us and what it means to be human – and their discoveries have been world changing. Today, research is enriching our understanding and our

quality of life. In this way, research from all disciplines, including the sciences, is at the heart of culture and cultural education (Research Councils UK, 2011).

Knowledge-creation is developed through engagement (i.e. discussion, debate and meetings) between researchers with the public. As stated by the Research Councils UK:

Researchers engaging with the public help empower people to have the knowledge and opportunity to reflect on and take an active role in debate about contemporary issues in society, from evolution and human beings' place in the universe...to the interweaving of digital technology and our modern lives (Research Councils UK, 2011).

The Chair of Research Councils further commended that the impact on research undertaken on culture is evidenced by the fact that:

...knowledge exchange with cultural institutions and creative industries, for example in conservation and preservation, improved understanding of how visitors engage with objects and display, and technology to enhance entertainment (Research Councils UK, 2011).

Research education by MAGs helps equip future generations to be creative and analytical thinkers. While expecting that young children can benefit from cultural-based research, the then-Secretary of State for Education, Michael Gove, emphasised that “every child should be exposed to rich cultural opportunities. Too often, this is a privilege reserved for the wealthy few. This must change”. His statement referred to the cultural education that should be taken into consideration in schools. However, as a cultural frontier, MAGs play important roles in delivering what is required by schools in introducing and developing cultural subjects to students:

The British Museum is a major educational provider at all levels, from primary school to post-graduate, and in the field of life-long learning. Its websites on core curriculum topics are used by millions. Yet there is no formal DCMS/DfE structure to exploit this huge potential, and inadequate funding to develop it further, e.g. in areas like the study of China or the Middle East, both of which could use museum collections as part of core curriculum teaching (House of Commons, 2007).

Research programmes generate new knowledge, innovation and creativity. This objective is reflected in the annual report of one of the museums:

The Museum uses its collections in scientific research programmes of internationally recognised excellence, thereby generating new knowledge that is both scientifically important and, in many cases, of great practical value (Annual report 2013-2014, M1).

MAGs provide a representation of the artworks such as paintings, artefacts and specimens to create knowledge and understanding. To this end, they develop and undertake activities

related to cultural and performing arts. One director wrote in a book about the importance of encouraging young people to learn and understand arts and culture:

Young people need to be able to deal with an increasingly complex and diverse society, and that cultural education could make an essential contribution to this aim (Sonata, 2009).

MAGs help create knowledge and understanding and improve the education standards/attainments of the population, by working closely with schools and universities. Their roles can be linked to Foucault (2002) who argues that knowledge can be attained in any space or time, through any means such as through observation and activities, and by listening. Knowledge is a source of power. MAGs create knowledge and engage in discretionary activities, and through these processes they exercise power over the population.

5.3.3 Generation of economic activities and creation of employment

MAGs promote the country, attract tourists, create employment and generate revenue. MAGs have successfully attracted a significant number of visitors over the years (as shown in Table 5.1). These organisations are among the UK's top ten visitors' attractions (Herald Scotland, 2013). NMDC (2013) reported that over the past decade, international visitors have increased by about 95%; 48% of international holiday visits within England and 55% in London include a visit to a museum; one in four visits is to an art gallery; 28% of all international visitors go to a museum or gallery; people coming to Britain to study are even more likely to visit a museum (69%) and art gallery (39%); and, almost 10% of business visitors also visited a museum or art gallery (*ibid.*). A director from an art gallery commented that the traditional role of MAGs has changed to include economic regeneration:

It is not what all museums and art galleries were intended to do. In modern times, we are also economic drivers because we are part of visitors' attraction, so we are part of the British economy (DOG1, AG1).

The government's aspiration to increase employment is materialised through economic/community regeneration activities and the creation of jobs by MAGs. Moreover, these organisations employ a large workforce in areas such as administration, finance, curatorial, research, exhibition, marketing and fundraising. According to a press release by the Museums Association (2010):

Culture is at the heart of public places and museums can help raise the profile and quality of life in urban centres. The museum sector is supporting a large workforce.

There are round 2,000 museums in England, employing over 27,600 people, with over 4,300 employed in local authority museums. Over 100,000 people in the UK (94,000 in England and Wales) volunteer at independent museums, with 20,000 volunteering regularly, providing the equivalent of 6,470 full-time employees or £108 million of independent museum's resources (Museums Association, 2010).

MAGs' develop initiatives, such as internships, to create employment opportunities among the population. According to the annual report of an art gallery:

The Gallery continues to participate in the Creative Employment Programme to provide paid internship opportunities for unemployed 16-24-year-olds. Designed to address skills gaps, and to encourage a new generation of talent to enter the sector, the Gallery currently has trainees working in the Library, Visitor Services and in Retail. The composition of the Gallery's workforce is 87% white, 13% black and minority ethnic, 35% male, 65% female, 3% disabled and 40% part-time employees (Annual report 2013-2014, AG2).

Increase in employment also increases the national income and the tax base of the country, in addition to regenerating the local community. As explained by one director:

So in regional museums, we drove visitors to the regions. People visit (for example, we have a museum in Bradford, York, Manchester and Liverpool) cities purely to visit museums within the cities. Therefore they are bringing economic contribution to the regions as well from outside that region. And in London of course, we just passed that huge tourism agenda. I can't remember the values for economic impact, I know studies have been done, and it is significant (DOD2, M2).

MAGs improve the quality of the workforce by supporting disadvantaged communities and schools to enhance the skills and knowledge of the population. The director from one museum commented:

We have done a lot of work with disadvantaged communities and disadvantaged schools around the STEM (Science, Technology, Engineering and Mathematics) project, try to encourage and inspire children and young people to study the subjects at GCSE level, A Levels, the degree level and further levels as well (DOD2, M2).

One of the main objectives of developing scientific research is to attract young generations to participate in research and improve their employability for future career prospects:

In September 2013, the third EC funded event Science Uncovered took place in the Museum. Working with 37 partner organisations, the event attracted over 10,000 public visitors to South Kensington and Tring for an evening of extensive contact and interaction with the Museum's scientific activities and staff, demonstrating the importance of scientific research and collections-based study, and encouraging young people to consider taking up careers in research (Annual report 2013-2014, M1).

Foucault (1991, 2007) suggests that one way to improve the economy of the state is by strengthening the population's quality of life and strengthening the household income. A good quality of life and strong household income enable the population to live in happiness, which in turn enables the government to govern smoothly. Household income contributes to the country's economy through taxation. Thus, MAGs play an integral part in improving the country's economy by taking part in tourism activities and creating employment opportunities for the population within the region.

5.3.4 Creating and strengthening bonds among the community

MAGs can be considered as spaces that contain enlightenment values (Foucault, 1984; Lord, 2006) where historical and cultural memories can be stored to allow the processes of understanding and knowing culture, civilisation, evolution and scientific discoveries (Foucault & Miskowiec, 1986). These organisations may be conceived as “agents of social reform” (Sandell, 2003 p. 45) that contribute toward the government's agenda of creating social cohesion among the population. One director stated that museums have modernised to keep in pace with the changing needs of the population:

I think museums have modernised. Previously we had no café and no restaurant. The relationship between people and museums has changed. They go for pleasure, leisure, and social reasons. Museums have reacted really well to that changing demand (DOD1, AG2).

One of the MAGs' main objectives is to encourage people from various spheres of life to visit the galleries and meet and discuss with people who have similar interests. It helps people build relationships and strengthen bonds, and promotes social inclusion. A director stated that opening hours should be extended and the young people should be encouraged to visit, as ‘children of today are the visitors of tomorrow’:

I remember one of the earliest management meetings that I had where we were talking about extending opening hours on weekends, I mentioned that on Sundays more families would come and that was a good thing. One of the curators said, he felt that by having his children here would disturb the experience for other visitors. However, the analogy is that the children of today are the visitors of tomorrow (DOT, AG2).

MAGs entertain visitors (i.e. tourists and families). The director from one museum commented about the value of the museums to the population:

They [the MAGs] are just beautiful places to visit. They are great fun. We often have this internal debate as to whether we should compare ourselves with Disney Land. Well, to some degrees we ought to, because we are a visitors' attraction (DOD2, M2).

Interestingly, one of the museums that previously aimed to focus on professional adults only (scientists, engineers and academics), now has become one of the most visited places that attracts people from various backgrounds including young children:

Our collection was part of the Victoria & Albert collection, and when science is an art separated in the Victorian era, it was decided that specific science is needed. We were bailed and the collection was split from Victoria & Albert [museum]. At that point, the museum was very much a place that was certainly not for children, but aimed for adults, engineers, academics, and people working in science industries for them to come and see science and scientific artefacts. However, we made a conscious effort when we realised children were also coming in...Now the museum is a place where anybody and everybody can come (DOD2, M2).

A trustee suggested that the national MAGs should carefully think about how they would like to portray themselves to the public in the long-term, instead of just reacting to fashions and trends:

National MAGs have to think about defining their remit in terms of how it would be regarded in 2030 or in many years ahead. It is about the longer view, rather than actually just reacting to fashion. Serving for the British people, also accruing a historical perspective on the particular area where they are looking at, rather than just reflecting the moment and just being skewed by trends (T3, AG2).

The growing number of visitors was attributed by their desire to learn and understand the value of British history and its culture. One curator from an art gallery argued that these organisations should not be considered as places that are meant for intellectual pursuit only, but they should also be considered as places for leisure.

The gallery is a place where people come for an introduction to visual British history and wander through the gallery by understanding how the nation has evolved over time. It is an entertaining experience as well. But we have got better at coping with the needs and the demands of visitors, not only with foreign language, text and audio guides (CUR4, AG2).

The national MAGs work very closely with their stakeholders to develop and introduce cultural and religion-based exhibitions to develop an understanding regarding people from different ethnic groups and religions around the world. A director from one museum explained the activities undertaken by the museum:

We would work closely with Muslim community, nationally and internationally. We loan material from a wide group... And then on a smaller scale, we are touring an exhibition for a ceremonial turban which is on display here. We work with the Sikh community in London to talk about its importance to ensure that we got the interpretation correct. And in fact, they were actively involved because they have a number of ceremonial weapons in it (DOG3, M3).

The first part of this chapter (Sections 5.2 and 5.3) has answered research question 1. The government aims to make the life of the population better by introducing a number of initiatives to improve the people's standard of living. These include developing and improving the education, economy and health sectors. The government's strategy to improve the population's standard of living can also be seen from its social inclusion approach. This strategy can be conceived as its agenda to remain in power because good standard of living creates happiness and harmony within the population, thus enable the government to control and gain their support. The roles of the MAGs as the government's technology of governing has partly created docile subjects through various means and activities introduced. These organisations provide spaces for education and learning, and social reform. MAGs provide an informal learning method that attracts young people to learn subjects taught in schools such as science, technology, engineering, mathematics, performing arts, history, geography and others. Moreover, a number of family-related activities which are aimed at strengthening bonds, developing friendships and creating self-esteem have been introduced. These activities enable the MAGs can justify their existence within the society. To ensure they act appropriately, certain mechanisms were used by the government to monitor and discipline these organisations. These mechanisms of control are further discussed in the next section.

5.4 Disciplining MAGs: Panopticon surveillance and exercise power

Foucault (1994, pp. 58-59) states that "panopticism is a form of power that rests not on the inquiry but on something completely different, which I will call the "examination." The inquiry was a procedure by which, in judicial practice, people tried to find out what had happened. It was a matter of re-actualizing a past event through testimony presented by persons who, for one reason or another, because of their general knowledge [*savoir*], or because they were present at the event, were considered apt to know. With panopticism, something altogether different would come into being; there would no longer be inquiry, but supervision [*surveillance*] and examination. It was no longer a matter of reconstituting an event, but something-or, rather, someone-who needed total, uninterrupted supervision". Foucault (1991a) used panopticon surveillance as a metaphor of the power/knowledge relationship to analyse the systems of social control that make individuals docile, and how superiors exercise power over subordinates. Surveillance is significant for promoting social order and reinforcing the socio-economic division for an organisation or entity (Brivot & Gendron, 2011; Lyon, 2001). The panoptic disciplinary

method induces the individuals to discipline themselves by conforming to norms and regulations, because of the impression that they are constantly being observed. Observations can be in different levels and spaces – in Foucault’s term, this is called *hierarchical observation*, where the individual may be subject to punishment for non-conforming. In Foucault’s terminology, the punishment (or reward) element is termed as a *normalization* process to correct the individuals’ conduct from an abnormal one into a normal state.

Power can be exercised through knowledge about the individuals through *observation* and the *examination* process. Power and knowledge reinforce each other in the sense that knowledge, once it is used to regulate the conduct of others, leads to the use of disciplinary practices (Foucault, 1980, 2002). In a modern environment, these elements of disciplinary power are mainly mobilised from a distance through different means, such as the use of reporting systems, rules and regulations, Internet access and other electronic means. In modern society, panopticon surveillance may be applied in various buildings, spaces or times, whether physically or electronically (Ferlie et al., 2013). These locations include not only schools, hospitals, and offices, but also the MAGs. In the context of the national MAGs, the government mobilises its regulatory framework, operating particularly through the board of trustees and accounting mechanisms as a means of disciplining the MAGs from a distance. The findings show that the mechanisms operate not only in an overt manner, but also covertly.

The control mechanisms are discussed in the following section.

5.4.1 Surveillance through the regulatory framework

The regulatory framework can be conceived as an element of *hierarchical observation* used by the government to conduct the MAGs. The government communicates its rules and regulations through the Acts of Parliament which are mainly used to condition the behaviour of the national MAGs (Foucault, 1980). The Acts are instrumental to the MAGs for two main reasons. Firstly, they provide guidance to enable the organisations to be governed and to perform activities effectively according to the specified rules and regulations. This can be conceived as a ‘self-governing’ tool to avoid or eliminate *normalization judgement* process. Secondly, the Acts enable the government to make the trustees and senior managers of the MAGs docile through the imposition of punishment for not conforming to the stipulated rules and regulations (Foucault, 1991a). In modern society, panopticon surveillance as a disciplinary discourse is self-perpetuated, which

means that it can operate covertly in an invisible way or in the absence of a centre of power, or as a physical observer (Foucault, 1991a, 1997b).

The main statutory documents that regulate the national MAGs are the Museums and Galleries Act 1992, the British Museum Act 1963 and the National Heritage Act 1983. For the purpose of this study, the Museums and Galleries Act 1992 mainly applies to AG1, AG2 and AG3; the British Museum Act 1963 specifically applies to M1 and M3; the National Heritage Act 1983 specifically applies to M2. Table 5.2 shows the regulatory framework that governs the activities of the national MAGs.

The Acts of Parliament specify the roles of national MAGs and determine how they are governed, and as such are disciplining mechanisms used by the government to exercise power and condition behaviour (Foucault, 1991b). A director from one museum explained how their governance is shaped by the regulatory framework as follows:

The mission and objectives are really set by the Parliamentary Act. We would have the principles that we pursue to fulfil our mission. So at the moment, our values will be open and diverse but this is how they are set. The delegation is from the Prime Minister to the board of trustees, to the directors and down to the executives. It is up to the executives to set how our art gallery is going to pursue the mission that is established and enshrined in the Museums and Galleries Act, 1992 (DOG1, AG1).

Similarly, the CEO of another museum commented that the principal governing document for the museum is the Act of Parliament:

It is in fact the British Museum Act 1963 which is the principal governing document, but there are others, Museum and Galleries Act, 1992 being the most pertinent other one... We are regulated by the principal regulator, which in our case is the Secretary of State for Department for Culture Media & Sport (DCMS) (CEO, M1).

Apart from the Acts of Parliament, the national MAGs are also legally bound to the Charities Act 2011 for their charitable activities. As stated in the annual report of an art gallery:

Section 3(1) (f) of the Charities Act 2011 states that an organisation is considered as for charitable purpose if it undertakes an “advancement of the arts, culture, heritage or science” – such as the MAGs. The Gallery is recognised as an exempt charity under the provisions of the Charities Act 2011 (Annual Report, 2013-2014, AG2).

The annual report of another national museum stated the duty of its trustees as stipulated in the Charities Act 2011 as follows:

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in defining the strategic direction of the Museum (Annual Report, 2013-2014, M1).

MAGs also undertake trading activities which are governed by the rules and regulations stipulated in the Companies Act 2006. The Companies Act 2006 specifies guidelines regarding the formation of trading companies, share capital and compliance, among others. One director explained:

The trading company is only subjected to the Company's Act, but the gallery is subjected to the Museums and Galleries Act (DOT, AG2).

Table 5. 2: Regulatory framework governing the activities of UK MAGs

Nature of activities	Regulatory framework	Main sections and rules
Non-departmental public body	Museums and Galleries Act 1992 (Governing document for AG1, AG2 and AG3)	<ol style="list-style-type: none"> 1. The new boards of trustees 2. The function of the new boards 3. Power of the new boards to form companies 4. Acquisition and disposal of pictures and other objects 5. Lending and borrowing of pictures and other objects 6. Transfer of objects or related documents between institutions
	British Museum Act 1963 (Governing document for M1 and M3)	<ol style="list-style-type: none"> 1. Composition of British Museum Trustees 2. General powers of Trustees 3. Keeping and inspection of collections 4. Lending of objects 5. Disposal of objects 6. Appointment of the Director of the museum 7. Reports by trustees
	National Heritage Act 1983 (Governing document for M2)	<ol style="list-style-type: none"> 1. Establishment of Board of Trustees 2. The Board's general functions 3. Power of Board to form companies 4. Initial vesting in Board 5. Certain gifts vesting on or after vesting day 6. Acquisition and disposal of objects 7. Lending and borrowing of objects 8. Finance
Charitable organisation	Charities Act 2011 All national museums and art galleries	<p>Section 2 Meaning of “charitable purpose” (b) for the public benefit</p> <p>Section 3 Descriptions of purposes (1) A purpose falls within this subsection if it falls within any of the following descriptions of purposes—</p> <p>(f) the advancement of the arts, culture, heritage or science</p>
Trading activities (shops, café)	Companies Act 2006 All national museums and art galleries	<p>Companies and Companies Acts (sections 1 to 2)</p> <p>Types of company (sections 3 to 6)</p> <p>General (sections 7 to 8)</p> <p>Method of forming company</p> <p>Memorandum of association</p> <p>Requirements for registration (sections 9 to 13)</p> <p>Registration documents</p> <ol style="list-style-type: none"> 10. Statement of capital and initial shareholdings 11. Statement of guarantee 12. Statement of proposed officers 13. Statement of compliance

Source: Museums and Galleries Act 1992, British Museum Act 1963, National Heritage Act 1983, Charities Act 2011, Companies Act 2006 and annual reports for 2013-2014 of the relevant MAGs.

The director further explained that the formation of a trading company, as a separate entity from the gallery, was to reduce its taxable income by separating income from core and non-core activities and to avoid tax:

So the only reason that the trading company was set up was that we were making good profit and we were going to become liable to corporation tax. A way of avoiding corporation tax was to set up a trading company for the parts of our income which were not core activities. So that is the element that we could be taxed on. If we set up a trading company that can donate the profit back to the gallery, then we can avoid tax (DOT, AG2).

The Acts of Parliament are a systematic and regular observatory mechanism used by the government to condition the behaviour of the national MAGs. Through these Acts the agents (MAGs) are provided with specific rules and regulations in which failure to comply can lead to punishment to *normalize* their behaviour. Whilst the rules and regulations are expected to create docility through compliance, there may be resistance and covert resentment. These implementation issues and challenges are further discussed in Chapter 6.

5.4.2 Surveillance through appointment of the board of trustees

In Foucault's (1991a) conception of panopticon surveillance, the boards of trustees can be conceived as tools of *observation* who monitor and oversee the activities of the senior managers and the MAGs. The board members are the government's panoptic gaze that ensure proper conduct is practised. The board members generally have their own specific interests within the MAGs. The Public Appointment Advisor from DCMS commented that the reason why someone would like to become a trustee of the MAGs is perhaps because of the interest to improve the profile of the organisations at the international level by representing them.

The Trustees are involved in strategic decision making and also can represent the museums when they attend other functions to raise the profile of the museums (GOV2, DCMS).

Although the process of appointment could be less bureaucratic if the museums directly appoint the trustees, the trustees prefer to receive an appointment letter from the Prime Minister because it is prestigious and can improve the trustee's profile. The Public Appointment Advisor commented:

They might press for a change so that ministers don't get asked to approve the candidates, approve job description, anything at all, everything is done by the museums to recruit the trustees. But at the end, the person selected gets a letter from the Prime Minister saying "I appoint you", because there is prestige. That might be something that they wish to continue (GOV2, DCMS).

One trustee stated that her personal reasons to become a trustee were because of the interest to work part-time during retirement (i.e. portfolio career), in addition to using her expertise to contribute to the organisations:

I was looking at having a portfolio career in my retirement, it didn't quite happen. You got to the stage in your life when you wanted to give something back, and I was working on the board of a small charity. What I wanted to do, was to get on to the board of a larger non-profit organisation. When this post was on the advert, I said, "my goodness, imagine if I am on the board of the national museum or regional museum, it would be fantastic!" I love going to museums, my children love the museums. So there are valuable things that they particularly, and London, have to offer the world. And it just felt like both a chance to use some of the stuff I learned but in a different and bigger arena. So it is about fulfilling needs as well as doing something for others (T2, M2).

The fact that trustees are appointed by the government makes them become vulnerable to fulfilling the government's agenda. The government places its influence over the appointment of the board of trustees, possibly because of two reasons: Firstly, these organisations are funded by the government which wants to ensure that the candidates are competent. Secondly, the government may want to place someone on the board that it trusts to carry its political agenda. When asked regarding the reason for government's influence in the trustees' appointment process, the Public Appointment Advisor from DCMS replied that it is because they are funded by public money:

Because it is public money. If it wasn't, then the public won't be involved. The public money which in the end comes from the treasury and it is distributed to departments including DCMS, it is felt to be right that ministers have some degree of influence on the decision making machinery of the museum and gallery (GOV2, DCMS).

The Public Appointment Advisor further explained that the government may want to appoint 'a good ambassador' who would raise the profile of the museum:

I think the ministers would want to feel that the person could be a good ambassador for the museum, could raise its profile especially in fundraising, for example. If somebody is successful and recognised in their own field, it can become newsworthy for the museum and can lift its profile a bit. Ministers would want a trustee that can help the organisation (GOV2, DCMS).

He explained how government influenced the selection process so that its desired candidates were included for the shortlisting process as follows:

Sometime the ministers would say "well, can you have a second look at so and so, because you say you don't want to interview them, but it might be worth interviewing them". And in the end, you will have a shortlist of candidates that ministers are content with (GOV2, DCMS).

Although the MAG can recommend their preferred candidates, the decision to appoint trustees lies with the government. As commented by a director from one museum:

People apply and the government sieve through, we would gently identify people, who we would want to apply, and we mention to the government who we would like, but we are not always listened to – a lot of the time yes, but not always. The ultimate decision is the government (DOD2, M2).

Because of its influence over the appointment process, the Public Appointment Advisor then concluded that the government is indirectly involved in the way that the MAGs are governed.

Other than being a representative for the MAGs, the role of the board of trustees can be viewed as an *observer* for the government (Foucault, 1991a) to monitor the governance and activities of the MAGs. The general role of the board of trustees is to oversee the management of the MAGs and to ensure operations are carried out smoothly. As stated in the annual report of an art gallery:

The Board oversees the management of the gallery, with the trustees acting as guardians of the public interest. The Board decides on major acquisitions and resource allocations. It represents [the gallery] externally, monitors the organisation's performance against its agreed objectives and targets and ensures the stewardship of public funds (Annual report 2013-2014, AG2).

The Public Appointment Advisor from DCMS explained how the government mobilises the trustees to discipline the senior management team of the MAGs:

The trustees are there on the board to ensure the director does what is necessary and are accountable to the ministers and government for their performance of that responsibility (GOV2, DCMS).

As an object of the government, the trustees are accountable for the decisions made on behalf of the MAGs, especially with regards to the long-term strategies of the organisations. They also report to the Parliament on a regular basis on issues relating to the governance of the MAGs. In a Foucauldian sense, the trustees' ways of reporting to the Parliament can be termed as a process of *examination* that arose from their *observation* and analysis of activities and documents presented by the senior managers of the MAGs. Because they are ultimately accountable to the government, all proposals have to be carefully discussed and scrutinised to ensure their decisions are in congruence with the government's agenda. The director of public engagement of a museum stated:

I sit on the Board of Trustees as an Executive Member, together with two of my colleagues and the CEO. So we were grilled and interviewed by the board of trustees every quarter based on what we're doing (DPE1, M1).

The roles of the board of trustees are stipulated in the Acts of Parliament. From the Foucauldian concept of disciplinary power, the trustees are the agents of the government who oversee (or *observe*) the implementation of public policy and governance processes. The government influences the appointment of trustees who are responsible for reporting back to the government. This mechanism indirectly makes the trustees docile in terms of how they conduct themselves because of the awareness that they can be held accountable for making decisions that are not in congruence with the government's agenda. The role of trustees 'as a gaze' for the government will be discussed in Chapter 6. The next subsection discusses the account-giving mechanisms.

5.4.3 Surveillance through accounting mechanisms

The government is ultimately accountable for obtaining value from spending taxpayers' money, and as such, have an interest in ensuring that MAGs operate economically, efficiently and effectively. These three components of value for money are in line with the new public management's ideology of improving accountability and governance, and the quality of public services (Ezzamel & Willmott, 1993; Goddard, 2005). Accounting and accounting mechanisms enable MAGs to discharge their accountability to their stakeholders, including the government.

MAGs are required to submit their annual reports and KPIs to the DCMS on an annual basis for *examination*. Moreover, the NAO, which is responsible for conducting value for money audits, assesses the accuracy of the financial statements, accounting documents such as receipts, invoices, bank statements, cash books, and journals. The board of trustees and directors may be asked to explain issues which need clarification – knowledge of the MAGs form the basis of the audit opinion provided by the NAO. As explained by the auditor (more specifically, the Comptroller and Auditor General from the NAO) in the audit report of a museum:

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Museum's and the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Museum; and the overall presentation of the financial statements (Annual Report 2013-2014, M2).

NAO provides assurance that the annual reports of MAGs are free from material misstatement caused by errors or fraud. MAGs are not audited by commercial auditors

such as the Big4 accounting firms. The audit process, which involves different stages and processes such as independent and systematic examination, checking and reconciliation of financial and non-financial statements, records and data, enables the NAO to identify risks, errors or inconsistencies, and subsequently seek clarifications from the MAGs before forming an audit opinion.

The audit report issued by the NAO provides assurance to the government as to whether income and expenditure have been appropriately recorded in the financial statements. Different levels of audit procedures enable the NAO to *examine* and analyse the MAGs' financial statements, hence allowing it to act as a *hierarchical observer* by providing its opinion to the government regarding the appropriateness of the financial statements. As explained by the auditor from the NAO:

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them (Annual Report, 2013-2014, M2).

The MAGs are subject to *normalization*, whereby the NAO would issue a qualified audit report if there are material inconsistencies or incorrect information in the financial statements:

In addition I read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate (Annual Report 2013-2014, AG1).

Audit procedures induce docility among the MAGs by ensuring that they keep proper accounting records and follow acceptable accounting standards (e.g. IFRS) when preparing financial statements.

The government argues that it does not control the governance of MAGs very closely. This is perhaps because the government intends to give the MAGs some leeway or flexibility to operate and to govern themselves effectively. However, as a means of monitoring their financial performance and activities, MAGs are expected to report accounting information to the government (e.g. KPIs and annual reports). The director of museum sponsorship at DCMS commented:

All we have is the management agreement, and contingent to that, they must produce an annual report. It is not that they have to have a long list of what they

need to do. We monitor that through our engagement strategy, so we have regular meetings with them (GOVI, DCMS).

Along with the funding offered to MAGs, the government issues a ‘management agreement’ which contains conditions that must be fulfilled by the MAGs. These include:

- *the world-class collections and front-line services of the museum to be protected;*
- *free entry to the permanent collections of the national museums;*
- *the museum will continue to work in partnership with other museums in the UK;*
- *the museum will continue to strengthen the financial resilience of the sector...*
(DCMS’s Spending Round 2013 letter dated 3 July 2013).

The Head of museum sponsorship explained the content of the management agreement and government priorities:

The main interaction we have is the management agreement, which sets exactly what’s our expectation is in return of the money. So at the very front of the management agreement, the secretary of state has mentioned the priorities for the coming period are, for example, maintaining free access to the permanent collection, continuing to grow their own income stream, contributing to the international agenda, so these are all highlighted in there (GOVI, DCMS).

DCMS has its own internal control mechanism regarding the funding provided to its sponsored bodies, including the MAGs. The control mechanism is to ensure that the funds are expended appropriately. The Head of museum sponsorship from DCMS explained:

We have an internal governance structure for our own, because we have 44 sponsored bodies and obviously museums and art galleries are a large percentage of that number. So we have an internal way of monitoring our bodies based on the amount of money they get, whether there is enough capital, whether they got a new Chair, a new executive, all these things affect us, as a department that engages with them (GOVI, DCMS).

In addition, funds can only be released once the MAGs have provided the DCMS with detailed monthly budgets of expected income and expenditure. This is to ensure that expenditure is spent based on what is actually required. The Head of museum sponsorship further commented:

... On a monthly basis, they have to provide us with financial information in order for us to pay them. They would fill in grant-in aid from every month. One of the principles, funding agreement is that money can’t be withdrawn in advance of the needs. So it is always varied, “this is what we want, this is what we get”, so that reconciles every month (GOVI, DCMS).

The government acknowledges that MAGs are different from other public organisations because of their uniqueness and ability to attract people from diverse backgrounds.

However, these organisations are expected to be less reliant on government funding and more resilient. As stated by the Head of museum sponsorship:

We need them to be more resilient and self-reliant and allow them more freedom to generate more of their own income. Funding is sort of continually reducing (GOVI, DCMS).

Table 5.3 shows the income generated by the MAGs.

Table 5. 3: Main sources of income of the MAGs

Sources of income £ (000s)	M1		M2		M3		AG1		AG2		AG3	
	£000	%	£000	%	£000	%	£000	%	£000	%	£000	%
Income from grants and donations:												
1. Grant from government	44,314	59.0	42,247	53.3	43,862	30.4	21,871	26.2	7,040	37.6	2,994	36.7
2. Donations, lottery & other voluntary income	3,345	4.5	9,959	12.6	44,331	30.8	20,708	24.8	4,264	22.8	3,485	42.7
Self-generation of income from:												
1. Trading activities	16,248	21.6	16,947	21.4	24,209	16.8	24,855	29.7	3,741	20.0	1,617	19.8
2. Sponsorship, shared services & other income	3,053	4.1	4,731	6.0	-	-	6,085	7.3	212	1.1	-	-
3. Charitable activities: e.g. admission & scientific grants	8,063	10.7	5,357	6.8	30,186	21	10,049	12.0	3,458	18.5	58	0.8
4. Investment and disposal of assets	105	0.1	44	0.1	1,467	1	56	0.1	18	0.1	3	0.0
Total income as per consolidated statement of financial activities	75,128	100	79,285	100	144,055	100	83,624	100	18,733	100	8,157	100

Source: Compiled from annual reports of relevant MAGs.

The relationship between MAGs and the government is driven by the grant-in-aid that they receive, and is governed by a funding agreement. The funding agreement dated 20 April 2010 from the DCMS for budget allocation 2010-2012 to 2014-2015 comprises main priorities for all UK national MAGs as follows: (1) free access to permanent collections; (2) an increase in philanthropy income; (3) compliance with relevant regulations and Management Statement and Financial Memorandum; (4) observe the requirement of Managing Public Money; and (5) report on financial information and KPIs on an annual basis to DCMS. Up to 2012, the DCMS issued funding agreements that included twelve KPIs for the national MAGs. A funding agreement that is attached to each of the grant in aid (which are usually for a three year period) states that the grant-in-aid is dependent on MAGs providing free access to their permanent collections.

In July 2013 the DCMS issued a Spending Round 2013 letter that informed the national MAGs about the 7% funding cuts which would be applied in the 2015-2016 budget allocation. In this letter, the DCMS emphasised the capital budget, efficiencies and pay progression, along with the need to maintain free access to permanent collections and increase philanthropy income. The DCMS also announced the financial and operation freedoms package to compensate for the funding cuts.

Twelve KPIs are no longer required starting from year 2015-2016 although the MAGs continue to include them in their annual report. The DCMS only requires three main key items of information: monthly visitor figures, philanthropic income and the number of loans. The reduction in KPIs may also occur because the DCMS acknowledges that the three indicators are more relevant to the government and the MAGs in relation to the funding that is provided. As commented by the Head of museum sponsorship:

I wasn't in the team at that time, but I can imagine it is to reduce the burden, because if it is a good thing to do, museums would do it. I think we have got the crucial things that we are interested in from the three KPIs. But it doesn't mean that we are not interested in the others, it is up to the museums if they want to collect this information. I think the KPIs are more directly related to the things that we give the money for the department's priority. Because philanthropy is a big agenda, the relationship between London and the region. And obviously how many people are coming to your front door is important as well (GOVI, DCMS).

Although funding has been reduced due to austerity measures by the Conservative-Liberal government of 2010-2015, a discretionary financial and operational freedoms package was granted in 2013 by the government through DCMS due to the importance of MAGs in society:

Funding for the Museum has been protected and will be reduced by just 5% in 2015-16. In addition, a package of operational and financial freedoms is being granted to national museums and galleries (Spending round letter, dated 3 July 2013).

The freedom package gives the organisations more autonomy to govern themselves in the ways that suit their specific needs to provide efficient and effective services to the population. The finance director of one museum commented:

Increasingly, there is some flexibility and recognition within the government that museums need to be given a certain amount of freedom. That has been very helpful over the last years... During negotiation of the last spending review, a certain number of operational freedom for museums was secured... They are very specific but they help us have much control now than before. In that respect it is very helpful. And I think there is a lot of willingness towards this partly because of the funding cut (DOF2, M2).

However, in reality budget restriction creates problems in financing the activities of the MAGs and does not help in improving their service delivery. For example, lack of funding may mean that some services have to be reduced or stopped to meet the budget available.

This problem was noted by the Deputy Director of Science of one museum:

The government may say that the trustees have greater freedom towards the rate that they wish, but at the same time, the lesser funding constraints towards this freedom. So I can't see the element of actual freedom in this respect (DDS, M1).

The finance director of one museum, who acknowledged the advantage of the operational and financial freedom package, commented that they would still prefer their funding not to be cut:

There is willingness to help us behave with more autonomy. It is good but it doesn't compensate us losing grant-in-aids (DOF2, M2).

Furthermore, the operational and financial freedom package does not make MAGs financially independent nor does it provide them autonomy over how they govern themselves. This is to ensure that risks or burdens are not shifted to the DCMS, as explained by the Director of museum sponsorship:

We have to be very careful about removing burdens placed on museums so that we don't place the burden on DCMS. We also have to balance the risk, we give the board freedom on the pay, we remove the cap on pay, but they still have to send us the return and tell us what they are doing on the pay. We are giving them access to their reserves; it is not that they can just do what they want, because they still need cover from us. There is no such thing as complete freedom because everything requires on our part as well. There is a limitation in terms of the freedom so long they want the money (GOV1, DCMS).

The government imposes the same rules and regulations on all MAGs regardless of the amount of grant-in-aid they receive:

And they are different as well, if you are Gallery 1, our funding accounts for 40% of their income, and yet this Gallery still has to abide by the same controls as the organisations like Museum 1 that has 96-97% government funds (GOV1, DCMS).

The performance measurement system is part of the new public management ideology which emphasises the individuals' or groups' performance to improve efficiency and effectiveness of the organisations (Ezzamel & Willmott, 1993). Likewise, the national MAGs have their performance measurement system to measure their own performance – one of them is based on three KPIs, which are predetermined by the DCMS and generic across all national MAGs. Moreover, they have internally generated KPIs which focus more on their own specific activities. Table 5.4 shows the KPIs for the relevant MAGs.

The MAGs may voluntarily provide additional KPIs along with the three main KPIs that are required. The KPIs enable the government to assess their performance by observing and examining the trends over the years. For example, the number of visitors over a number of years can be analysed by using information provided by the MAG's and DCMS's statistics. The process of analysing data is termed as *hierarchical observation* and *examination* processes – according to Foucault's analysis of power. Penalties can be imposed if the actual performance is continuously below the target over a number of years. The process of penalty, which is termed as the *normalization* process (Foucault, 1991a) may involve financial cuts, regular visits to monitor performance, and/or change of management. One director commented that the punishment imposed is contingent on the level of failure:

Failing on all of the KPIs sets an alarm to the museum. It may be placed under direct management which is the ultimate sanction. The director, and ultimately the CEO would be held accountable by the DCMS (CURI, M2).

Table 5. 4: Key performance indicators (KPIs)

Performance Indicators	(M1) 2013-2014	(M2) 2013-2014	(M3) 2013-2014	(AG1) 2013-2014	(AG2) 2013-2014	(AG3) 2013-2014
Visitors						
1. Total number of visits to the Museum	5,579,000	5,712,000	6,800,000	7,036,000	1,988,000	415,000
2. Number of visits by UK children visitors under 16	1,452,000	1,838,000	891,000	989,000	145,000	28,000
3. Number of visits by UK adult visitors aged 16 and over	*	2,315,000	2,109,000	2,562,000	1,041,000	221,000
4. Number of overseas visitors	*	1,559,000	3,800,000	3,485,000	802,000	166,000
5. % of visitors who would recommend a visit	97%	98%	96%	94%	99%	96%
Website visits						
6. Number of unique website visits	8,876,000	26,460,000	35,300,000	12,891,000	4,103,000	398,800
Regional engagement						
7. Number of UK loan venues	29	184	187	149	142	*
Learning						
8. Number of children aged 18 and under participating in on and off site organised educational sessions	497,000	776,000	145,000	118,000	59,000	15,000
9. Number of facilitated or self-directed visits by children under 18 in formal education	*	436,000	262,000	173,000	36,000	14,000

Source: Compiled from annual reports of relevant MAGs.

*Information not disclosed in annual report.

A director from one museum also shared a similar view of the consequences if the organisations are continuously under-performing. The director commented:

What tends to happen is the director might lose his job, because he is appointed by the government, and the review of the board of trustees would take place. But I think that would have to be a sustained inability to meet those targets. If it happens only

one year, the government won't mind. I can't think of any example, but the one I can think of is Royal Armouries, there was financial impropriety by two successive chief executive directors and the government had to step in (DOD2, M2).

The trustee from one museum acknowledged that under-performance may lead to punishment, but commented that a financial cut is not necessarily a good way of penalising the organisations:

If you don't perform with the government policy and objective, then you are likely to be at the disadvantage. If you cut their funding more, it is even less likely that they can provide their services. So the appropriate measure is not in terms of funding cuts. The first thing to do is, to change the people. Look at government's effectiveness in terms of changing the chairman of trustees. Their decision over the years in terms of people that's the first thing the government should look for (T1, M2).

The second part of this chapter (Section 5.4) has answered research question 2 by discussing how the regulatory framework, the appointment of the board of trustees and accounting mechanisms are used by the government to condition the MAGs' behaviour. The regulatory framework acts as a guidance that enables the MAGs to govern and undertake their activities appropriately. The MAGs are subject to penalty for non-compliance with the rules and regulations. Government's involvement in the trustees' appointment process has indirectly made the trustees docile through their actions that can be perceived as driven towards fulfilling the government's agenda. A number of accounting mechanisms (e.g. NAO reports, KPIs, funding agreement, annual reports, budgets, and management agreement) and their associated *examination* and *normalization* elements are used as panopticon surveillance to govern and shed light on the activities of MAGS to induce docility (Foucault, 1991a). The accounting mechanisms are expected to provide transparency and are one of the means used by the government to monitor and discipline the MAGs. For example, the annual report and KPIs enable the government to *examine* the organisations' financial and non-financial performance (Aerts, 1994, 2001) by analysing the pattern of transactions over a number of years. However, it can be argued that this information may be used by the management to window-dress their own performance, and there may be a tendency to measure things that are not really relevant. Reporting serves as a mechanism for the management of MAGs to conduct themselves appropriately and also to improve the performance of the MAGs.

5.5 Conclusion

This chapter has discussed the roles of UK national MAGs in modern society and the control mechanisms used by the government to discipline them. The government's aspirations are to improve the wellbeing of the population by improving the economy, education and social wellbeing. The national MAGs (along with other public sector organisations) are tools that play an important role in enabling the government to achieve its aspirations and control the population. By relating to elements of *hierarchical observation, normalization* and *examination* from the Foucauldian panopticon lens, this chapter showed that government has mobilised its mechanisms such as regulations, the appointment of the board of trustees and accounting mechanisms to create docility, thus shaping the way that the MAGs are governed. The findings were based on interviews with government's officers from DCMS, some trustees, the CEO, a representative from the NMDC, sponsors and the senior management team from the MAGs, as well as analysis of secondary data.

The findings have answered the first two research questions: (1) What purposes do UK national MAGs serve in modern society? and, (2) How are the UK national MAGs controlled by the government and why are they so controlled? The chapter unveiled the 'panopticon surveillance' mechanisms used by the government to monitor the governance and activities of the national MAGs from a distance. The conception of 'monitoring' is not only to be understood as a means of *observation*, rather it can be critically interpreted as surveillance mechanism to exercise disciplinary power and create docility among the subject. Surveillance is one of the government's tools to exert its disciplinary power over the MAGs. The terms *observation, normalization* and *examination*, coming from the panopticon lens were adopted to critically discuss the following three key themes to understand how the government exercises its power to discipline the organisations: (1) Regulatory framework; (2) the appointment and roles of the board of trustees; and (3) accounting mechanisms.

The next chapter answers the remaining two research questions by illustrating Foucault's notion of *self-government* and *conduct of the self* to show how the MAGs govern themselves in achieving their accountability objectives.

CHAPTER 6

Self-government and the challenges and tensions faced by MAGs

6.1 Introduction

This chapter answers the following two remaining research questions: How do the MAGs govern themselves to discharge their accountability? And; What key governance challenges and tensions do MAGs face? The findings illustrate power as governmentality (self-government), whereby tactics and technologies are made more visible through the roles of regulatory framework, boards of trustees and accounting mechanisms. This chapter also shows the implications of government's influence which has created some challenges and tensions. Foucault's notion of tension is applied in the sense that people are doing something out of their willingness or vice versa, they cannot do things that they wish to do. This may be termed as 'silent resistance'.

This chapter further extends the analysis of disciplinary power discussed in chapter 5, by discussing governmentality within the national MAGs in the context of *self-government* and *conduct of the self* to show how the MAGs govern and discipline themselves to achieve accountability objectives. It also discusses how knowledge can constitute power within organisational settings. The chapter then discusses challenges and tensions faced by the MAGs when governing themselves.

This chapter is organised as follows. The next section discusses how the MAGs discipline and govern themselves. Section 6.3 discusses how MAGs discharge accountability towards their multiple stakeholders. Section 6.4 discusses the challenges and tensions faced by the national MAGs as a result of external factors. The main challenge was financial restriction which subsequently has led to other complexities that affect their governance activities. Section 6.5 discusses some initiatives undertaken by the MAGs to overcome the challenges and improve their governance. Section 6.6 concludes the chapter.

6.2 Self-government: Governance structure and processes

Empirical evidence in Chapter 5 found that the government's control mechanisms and influence have indirectly shaped the governance of the UK national MAGs, although they may not do so in an overt way. To ensure compliance and legitimacy within the society, these organisations were induced to become docile (Foucault, 1991a) through government's rules and regulations, and its influence on strategic decisions and

appointment of the board of trustees. Docility can be referred to as ‘easy to teach or train’, or ‘obedient or compliant’. In the context of the MAGs, docility can be conceived as to how the power/knowledge relationship induces senior managers and the trustees of the MAGs to comply with the government’s rules and regulations by practicing good conduct. MAGs’ failure to comply with the rules and regulations can lead to penalty – in a Foucauldian sense, the penalty is a *normalizing* mechanism used to influence behaviour (Foucault 1991). Docility may also relate to how the trustees and senior managers are ‘trained’ or ‘informed’ to make them understand a particular situation in order to make an informed decision and practise compliance. For example, the trustees are provided with accounting information (e.g. KPIs, budget and annual report) or reports that explain the financial position of the MAGs. Understanding and knowing the accounting information can be conceived as a training process that develop skills and experience among the trustees thus, helping them to make informed decisions.

6.2.1 Self-government through regulatory framework

Chapter 5 has argued that the Acts of Parliament are the government’s ‘panoptic gaze’ that establishes the processes and institutions, and empowers those who enforce regulations to govern the activities of MAGs at a distance. This section extends the analysis of disciplinary power and knowledge from the panopticon lens by discussing how the regulatory framework guides MAGs to behave and self-govern as docile agents of the government.

Specific rules and regulations in the Acts of Parliament are not only meant to *observe, examine* or *normalize* the behaviour of organisations including the MAGs, but they can be conceived as a guide for MAGs to self-govern. Specific rules in the Acts guide MAGs to conduct appropriately and make informed decisions to discharge their accountability. For example, when dealing with acquisition of objects, Section 4 (1) of the Museums and Galleries Act 1992 specified that MAGs may acquire relevant objects with the approval of the board of trustees. However, the Act provides conditions with regards to the disposal of objects unless Section 5 (a – d) is satisfied:

(a) the disposal is an exercise of the power conferred by section 6; (b) the disposal is by way of sale, exchange or gift of a relevant object which is a duplicate of another relevant object the property in which is so vested and which is so comprised; (c) the disposal (by whatever means) is of a portrait and the Board are satisfied that the identification formerly accepted by them of the person portrayed has been discredited; or (d) the disposal (by whatever means, including destruction) is of a relevant object which the Board are satisfied has become useless

for the purposes of their collection by reason of damage, physical deterioration or infestation by destructive organisms..;

The Acts of Parliament specifically stated that the board of trustees is responsible for the disposal, acquisition, lending, borrowing or transferring of collections. The board members *observe* and *examine* the relevant documentations and challenge the senior managers before making their decisions. This means that MAGs are not allowed to either purchase or dispose objects or collections at their own whims, without obtaining approval from the board of trustees. Section 4 (1) states that the board of trustees may:

In particular, acquire (whether by purchase, exchange or gift) any relevant objects which, in the opinion of the Board concerned, it is desirable to add to their collection (Museums and Galleries Act 1992).

One director from a museum acknowledged that their activities and actions are guided by the regulatory framework:

Because we are guided by the Acts of Parliament, our acquisition and disposals of collections need to have trustees' approval. That is engrossed in the Acts of Parliament that control the use of our collection (DES, M1).

Because the board of trustees is directly accountable to the government, all major decisions involving long-term strategic planning and decision making lie within its responsibility. A director from one museum stated the reason why boards' approval is necessary in the disposal and acquisition process:

The collection is governed by the National Heritage Act. I think it would be very easy to sell it especially during financial difficulty. We could sell some of our objects just to solve financial problem, but if those objects go to overseas buyers it would be a loss to the nation. So the government is very clear that the board of trustees is responsible for the collection (DOD2, M2).

Furthermore, all national MAGs are subject to the Code of Ethics that governs behaviour so that they conduct themselves according to standard norms. The general purpose of the Code which was issued by the Museums Association:

...is to identify potential pitfalls; to offer guidance in difficult situations; to provide consistency in dealing with issues so we don't all make it up as we go along; and to maintain the confidence of benefactors, originators and society as a whole. But above all, I believe it is to help museum professionals resolve the operational and management problems that they face day in, day out (Museums Association, Code of Ethics, 2008).

Knowledge creates awareness of how power relations work and how identities are constructed (Foucault, 1980). The Code of Ethics determines the standard of conduct or acceptable behaviour when undertaking activities and may be used as a basis to *normalize*

behaviour through process of *examination*. MAGs adhere to the Code of Ethics by making it part of their employees' employment contract, and sponsors' and donors' standard contract. As stated by the Museums Association:

The Museums Association therefore encourages employers to assure adherence to the Code of Ethics for Museums as a contractual requirement. An effective way of achieving this is to include reference to upholding and promoting the MA's Code of Ethics for Museums in job descriptions that form part of an employee's contract of employment (Museums Association, Code of Ethics, 2008).

The Code of Ethics provides guidelines regarding the acceptance of donations, and the checks that MAGs should do to ascertain the donors' identity and the items intended to be donated. For example, the Code states that:

All those who work for or govern museums should ensure that they: Collect according to detailed, published policies that state clearly what, how and why the museum collects. Frame the acquisition policy in the light of the museum's stated mission. Specify criteria for future acquisitions that include topics, time periods and geographical areas. Collect only within acquisition policies, except in exceptional circumstances (Museums Association, Code of Ethics, 2008).

Curators of the MAGs are required to identify reasons for the donation, source of the item, its authenticity and identity of the donor through a number of examination processes over the items and donors. In Foucauldian perspective, this can be termed as an *examination* process that aimed to understand and identify the subjects. The identification and *examination* processes enable the curators to understand and have better knowledge about the donor's background and reasons for donating the collection. A trustee from one museum commented about the importance of knowing the identity of the donors from an ethical viewpoint:

Well, it is about what message a donation might give to the audience. Do you want your children to see that the medical exhibition is sponsored by a tobacco company, for example? That is an ethical issue. That would be debated. Another example, do you want to see a particular technology endorsed by someone who may have a track record of hacking or doing inappropriate things...So that is why donation should be carefully scrutinised (T2, M2).

Moreover, MAGs are entrusted with keeping collections for the population. As guardians of treasures, collections and artefacts, they have the responsibility to make the collections available for viewing. As stated in the Code of Ethics:

Museums enable people to explore collections for inspiration, learning and enjoyment. They are institutions that collect, safeguard and make accessible artefacts and specimens, which they hold in trust for society (Museums Association, Code of Ethics, 2008).

From the ethical point of view, the MAGs should conduct themselves and demonstrate accountability by guarding and retaining public collections, upholding the public trust and not taking collections for granted for financial benefit. As stated in the Code of Ethics:

All those who work for or govern museums should ensure that they: uphold public trust responsibilities; view the museum as the guardian of its collections; retain items in the public domain at whichever location provides the best balance of care, context and access; avoid behaviour that could be construed as asserting personal ownership or control of collections or any part of them; treat collections as non-negotiable assets in financial affairs... ; fulfil all the museum's guardianship responsibilities in respect not only of the collections but also of all other resources (for example, premises, land and information), which, in explicit or moral terms, it holds in trust for the benefit of the public (Museums Association, Code of Ethics, 2008).

MAGs are subject to *normalization judgement* in the form of financial or reputational penalty for non-compliance. For example, recently the National Museum Directors' Council (NMDC) issued a joint statement against an unethical sale of collections by the MAGs, which affected public trust. The joint statement stated:

We are seriously concerned about cases of unethical sale from museum collections and the targeting of collections as a source of income. We believe this will erode the long-held and hard won trust that the public have in museums and will cause irreversible damage to the UK's cultural inheritance (NMDC, 27 March 2015).

Whilst the NMDC recognised the need of the MAGs to reduce financial burdens, NMDC emphasised that unethical sales of collections should not be used as a way to solve the MAGs' problems, because this may eventually lead to the creation of other problems (Rose and Miller 1992). Unethical behaviour leads to risks that the MAGs can be penalised whether in the form of financial restriction such as facing difficulties in obtaining sponsorship, or non-financial restrictions such as reputational damage and/or loss of accreditation. This punishment was intended to *normalize* their behaviour. As stated in the NMDC joint statement:

Unethical sale also risks wider reputational damage to museums and organisations associated with them. Bodies such as Arts Council England and the Heritage Lottery Fund have wider funding relationships with governing bodies beyond museums, and these relationships may well be damaged by cases of unethical sale. Likewise loss of Accreditation is likely to affect the ability of organisations to access potential partners, loans and donations (NMDC, 27 March 2015).

From the perspective of self-discipline and self-government, Parliamentary regulations and the Code of Ethics provide guidance that helps the MAGs implement good governance processes and meet their accountability objectives. Analysis of the

regulations and codes of conduct sheds light on the questions of how to govern, by who, and through what means? (i.e. the art of governing). The Acts can be considered as a self-perpetuated discourse that operates through disciplinary power that allows self-conduct and induces docility among the senior management, including the board of trustees.

6.2.2 Self-government through the board of trustees

Chapter 5 discussed how government influences the process of appointing trustees to shape the governance of MAGs. Interviews with participants from the MAGs revealed concern about the government's influence in the process of appointing trustees. This section discusses how the boards of trustees act as the government's panoptic gaze in governing the MAGs and discharging their accountability.

The MAGs are governed by the board of trustees who acts as the *observer* for the government by overseeing the governance of the organisations to ensure the mission and objectives are in congruence with the government's agenda. The general functions of the board of trustees are defined in the Acts of Parliament (British Museum Act, 1963; Museums and Galleries Act, 1992; National Heritage Act, 1983). As stated in the annual report of an art gallery:

The role of the Board of Trustees is to determine policy and set the strategic direction for the gallery. The Board oversees the management of the gallery, with the Trustees acting as guardians of the public interest. The Board decides on major acquisitions and resource allocations. It represents [the gallery] externally, monitors the organisation's performance against its agreed objectives and targets and ensures the stewardship of public funds (Annual report, 2013-2014, AG1, gallery's name removed to maintain anonymity).

Each board of trustees of the national MAGs is comprised of up to twenty-five members (see table 6.1), whereby most of the trustees are appointed by the Prime Minister (Museums and Galleries Act, 1992). The board is also comprised of a Chairman. Schedule 3.2 (1) of the Museums and Galleries Act 1992 states:

The Board shall consist of sixteen members (in this Schedule referred to as "trustees") who shall be appointed by the Prime Minister; and the trustees shall appoint one of their number to be chairman. [Note that 'number' in the quotation should probably read 'members', but this quotation was taken verbatim from the Museums and Galleries Act 1992].

Table 6. 1 : The composition of the board of trustees

Organisation	Board of trustees			Total members
	Appointed by the Prime Minister	Co-opted by the board of trustees	** Recommendation	
M1	6	2	0	8
M2	15	0	0	15
M3	15	5	5	25
AG1	13	0	1	14
AG2	16	0	0	16
AG3	13	0	0	13

Source: Annual report for 2013/2014 of relevant national MAGs

** Recommendation by Royal Society, Royal Academy, British Academy, Society of Antiquaries of London and National Gallery

As shown in Table 6.1, the majority of the trustees are appointed by the government through the Prime Minister’s Office. This was confirmed by the Public Appointment Advisor who is in charge of the process of appointing trustees:

The Secretary of State, and also minister for the cabinet office are interested and involved in the trustees of the MAGs’ appointment. And the Prime Minister is the person who makes the appointment for the MAGs. Not always, but most MAGs’ trustees are appointed by the Prime Minister. So, our ministers in DCMS are involved because it is our policy area in government. But ultimately, the person who makes the appointment is the Prime Minister (GOV2, DCMS).

The board of trustees of MAGs are the stewards of a country’s treasures (e.g. collections and artefacts). It has statutory duties for the care of collections and assets, and for general management and control of the MAG, including education and research. The board of trustees is responsible for appointing the CEO (director of the museum/art gallery), who ultimately is accountable to the board of trustees and the Parliament for the care of collection and assets, and general administration of the MAG. A representative from DCMS explained the trustees’ roles as follows:

The trustees are there to ensure the director does what is necessary. The trustees are accountable to the ministers and government for their performance of that responsibility (GOV2, DCMS).

The CEO works very closely with the chairman of the board of trustees to *observe* the activities and performance of the MAGs in ensuring their mission and objectives are achieved. The CEO is responsible for day-to-day management and strategic decision making. As explained by a CEO:

Day-to-day management is effectively delegated to the executive board, which I am the chair as the executive director of the museum. So I am effectively the chief executive officer, and I work very closely with the chair of the board in determining

which issue goes to the trustees and which issues are dealt with by the executive management...Recognising the trustees' statutory responsibilities, people won't expect the trustees would make every last decision on every issue on day-to-day management and strategic decision making - where is that dividing line? Usually, it is based on some sort of assessment of financial risk, level of investment cost, or reputational risks, risks that the organisation is making the decision at different levels (CEO, M1).

The board of trustees meets about four times a year to discuss governance issues including financial planning and management, risks, collections, and reports from respective departments and other ad-hoc issues. Panopticon elements of *observation* and *examination* occur during this process through the presentation of reports. The board of trustees provides suggestions, poses queries and challenges the senior management team before making decisions or approving proposals made by the senior managers. The board's actions such as posing queries and challenging the senior managers can be conceived of as *examination* (Foucault 1991) whereby the senior managers were being asked to clarify specific issues that were unclear. As explained by a trustee:

I think what we look at is whether the strategy that is proposed by the director and staff is appropriate to the overall mission and vision of the organisation. We also look very carefully whether we have the resources, both financial and physical resources, but more importantly the management resources. For example, can you deliver this agenda with the people you have? If you can't, how are you going to either develop the people or get new people in order to balance between ambition and resources...? And we challenge, provoke and bring in ideas even though it is not our job to determine content, but it is our job to steer strategy in the correct direction (T2, M2).

The executives discuss strategies and spending plans, including the impact of austerity and resulting funding cuts on their activities. As explained by a CEO:

We always think about four years further ahead and plan for changes that we can anticipate for that. For example, the museum is allocated funding from the government in a spending review which would set the government funding forward at a certain distance in time. Over the last five years, funding has often been modified by each budget statement from the chancellor. So there is always the potential for forward projection going out four years, but it changes according to circumstances, even within a given operating year (CEO, M1).

Similarly, a director from a museum explained that financial matters and funding are the main issues that they usually raise during board meetings:

The main things that would be discussed by the board and senior management team would be money and funding. We always look for alternative to get more money as a result of the cut in grant-in-aid. We would be looking at how to sustain the museum, how we can raise funding and where the funding pressures are, what our priorities are in terms of funding (DOG3, M3).

The trustees influence the management's decision, particularly if the decision involves financial matters and is politically vulnerable. A trustee from one museum commented:

We do influence the decisions of the management, particularly when it comes to tricky decisions. For example when there is a project that is over-running or that needs more money or that is politically sensitive (T2, M2).

The trustee further commented:

We have the decision making power to reject their suggestion if we feel that their suggestion is not convincing and we don't think that it is right. Sometimes, it is more about "we should do this under the following circumstances", so we put conditions (T2, M2).

As the government's panoptic gaze, the board of trustees plays a proactive role by challenging senior managers' plans and strategies. One director stated:

The trustees really test you. So for example, I introduced an initiative called visitor-giving to all our museums. The trustees didn't want me to do it at first because they felt that when you come to any of our museums, you are stopped by a member of staff and asked for a donation. The board of trustees felt that (1) is not appropriate for cultural institutions, and (2) felt that we would upset the visitors, that they won't return to the museum. It took me probably six months to persuade them to try it... which I was able to do with one of our northern museums... visitors weren't complaining. They were very happy. We did it in a very soft and general welcome way, and we generated this amount of money compared to what we used to generate. The numbers were so significant. So the trustees said, "In that case, you can roll it out across other museums" (DOD2, M2).

The meetings also discuss important aspects on how MAGs can respond to digital technology in the modern society through an introduction of digital exhibitions and activities which can attract more visitors online. A director from one museum explained:

The big thing at the moment is digital technology such as, how do we use it in the museum, who uses it, how do we benefit from it, who should we be in partnership with externally, should we digitize our collection, what elements of our collection that we should digitize, for whom and what purpose, and where we get the money from (DOD2, M2).

A director from another museum shared similar views regarding the growing importance of digitization:

The trustees might be looking at our strategy for engaging and digitizing, which is a growing area now. It is very important for us to have a digital strategy in place, that can sustain ourselves and deal with the unknown (DOG3, M3).

Formal and informal meetings (e.g. during exhibitions or over coffee) between members of the board of trustees and senior managers help strengthen bonds and develop a good

working relationship. One director commented that in contrast with the good relationship between the trustees and senior managers, the relationship between managers and the government was not really effective:

So in terms of the relationship between the board of trustees and the executive members, which I am a member of, that's a very good, healthy and proper relationship. In terms of the relationship between the trustees, executive and government, it's a pretty dysfunctional relationship, because the government isn't really able to respond to some of the issues that we're maybe trying to address (DPE1, M1).

The board of trustees is responsible for making decisions on acquisitions to ensure that the collection provides value for money. For example, the board of trustees may want to assess the uniqueness of a potential acquisition, its value to the nation, or whether other institutions have already owned it. One trustee commented:

At the Railway Heritage, we looked at acquisition; again you have to be very careful. For example, does the subject tell a story? Is it unique, do we already have one? Does anyone else already have one? Is it right that we should have it? You know, we are not just for the museum. We are here for the nation (T2, M2).

To improve the effectiveness and efficiency in the governance system, a number of sub-committees are established by the board to provide advice to the trustees on specific issues. As stated in the annual report of a gallery:

The Board is advised by a number of formal sub-committees. The sub-committees, whose members comprise both Trustees and non-Trustees, provide detailed expertise and help to advise the Board on specific areas of the operations. Some sub-committees of the Board hold delegated authority from the Board to make specific decisions; others are purely advisory (Annual report, 2013-2014, AG1).

The roles of the board of trustees are significant in ensuring proper direction of the MAGs. Their roles also enable the government to control the MAGs at a distance. As explained in Chapter 5, the government's influence in terms of the appointment process has indirectly shaped the activities of MAGs through the supervisory roles of the board of trustees. This section provided evidence of the internal processes through which the board of trustees shapes the governance of MAGs. Governance processes such as meetings and reporting to the board help induce senior managers to act in accordance with acceptable norms, when undertaking activities and spending public money. Meetings were not only to fulfil formal obligations, but also to improve the internal governance systems of the MAGs and to improve working relationships with management. The overall effect is to create good governance.

6.2.3 Self-government through accounting mechanisms

As discussed in Chapter 5, the role of the accounting mechanisms is fundamental in allowing the government to monitor the governance of the MAGs through the panopticon's elements of observation; *examination* and *normalization*. This section provides empirical discussion of how the MAGs use their accounting mechanisms to self-discipline and conduct themselves appropriately, and to achieve congruence with the government's agenda. Effectively, good conduct helps avoid or reduce the risk of being penalised by the government. Reporting can be perceived as one way of obtaining knowledge (by the government, board of trustees, senior management and the public), which subsequently allows the organisations to improve their performance.

The two main accounting mechanisms are internal and external means that aimed to provide visibility and calculability about the activities and performance of the subjects. Firstly, there are internal accounting mechanisms which enable senior managers provide their reports to the board of trustees. This usually occurs during the board meetings where the senior managers provide financial and non-financial information to the board. The most pertinent items of information relate to income generated from philanthropy, the financial budget, spending plans and strategies for the next few years. One director from a museum explained:

We have a three year operating plan and budget which sets out a number of key objectives for over three-year period. That forms a basis of how we are accountable to senior management and ultimately the trustees in terms of our performance. This is measured on a quarterly basis and we will produce a package of report to trustees that informs our performance against our main objectives and our finances in management accounts (DOG3, M3).

Additionally the internal reports enable senior managers to compare actual performance against budgets, and highlight good and poor performance. The same director further explained:

So we got key matrix for each of those objectives, that could be numerical or a deadline for us to deliver an exhibition, on time and within budget, it might be also we want to increase the level of our corporate fundraise by certain amounts. We use a simple red and green traffic light system to measure our performance. So the reporting to the trustees is based on where we were successful or where we were not meeting our objectives. And then we would try to explain what we do to address the issues. For example, if something is behind the schedule, the trustees would want to know why and what should we do to address it (DOG3, M3).

The internal reports enable the board of trustees to have an oversight and provide suggestions/advice when they feel it is necessary. One director explained:

The board of trustees delegates the day-to-day running of the museum to us. So we are reporting and advising what we believe we ought to be doing, what are the problems we face, what are the good things that happen. The board then discussed and said “yes that is the right thing”, or “that is not the right thing, we want you to actually go another direction” (DOD2, M2).

From a Foucauldian perspective, the accounting mechanisms are used as a self-disciplinary mechanism to induce good conduct, including financial probity. Subjects are made docile because of the feeling that they are being *observed* and monitored through reports of their performance and actions (spending). The chief executive from one museum explained:

I supposed that there are items that we regularly report to the Board of Trustees. So we would regularly report on the financial performance of the organisation and certain performance indicators. And I suppose the important thing that we demonstrate to the Board of Trustees is about the financial health of the organisation. So we create an up-to-date report in every meeting. Financial reports vs. budget, so we set a line of a new budget. We set that in November to start the following April. And in each meeting we would track that performance against the financial plan. We also have a year operating plan, and four-year full projection (CEO, M1).

Secondly, external accounting mechanisms enable MAGs to report to external stakeholders such as the government and the public. These include annual financial statements, narrative statements, KPIs, financial information relating to spending, and press releases. With regard to the reporting on the KPIs, the participants had conflicting views regarding their usefulness. For example, one trustee agreed that the KPIs on visitor numbers are good indicators that allow the government and MAGs to evaluate service quality:

Our KPIs are very much about audiences’ participation, the mix, and I have no objection to those. Those are the right things for a government to be doing for free museums. Of course it has to be getting more people through the door, getting the wider variety, a more diverse population through the door, getting more youngsters engaged in Science (T2, M2).

A funding agreement which was issued by the DCMS to all national MAGs imposed the following requirement:

To supply the DCMS each year with the regular financial information set out in the data collection schedule, as well as returns against performance indicators supplied by DCMS. This information, together with Annual Reports and any further reports the museum prepares in relation to progress against its own corporate priorities, will be used to monitor annual performance (DCMS’s funding agreement letter dated 20 April 2011).

The KPIs may be beneficial in helping MAGs monitor, review, analyse and subsequently discipline themselves to ensure their performance is maintained or improved. In this sense, the KPIs are conceived as self-perpetuated tools that can create good conduct and self-government (Manochin et al., 2011). The Director of museum sponsorship commented:

I think the KPIs work very well. The focus of free access is the right approach. Being able to demonstrate an ever-growing of partnerships across the UK is a very strong message, and an increase in self-generated income is demonstrating that the freedom package, which provides flexibility on spending self-generated income, is having an impact. That is not a target, we accept there is fluctuation every year depending on visitor numbers (GOV1, DCMS).

KPIs can be used as a self-disciplinary mechanism. One director from a museum commented that the KPIs are useful indicators to benchmark performance against other museums and compete to improve performance:

It is useful to have some degree of commonality. So there is no denial that we are looking at the other museum's performance and we look for superlative to supply; we are doing the best.... I think KPIs do offer a degree of discipline and formality and something that people recognise (DOG2, M2).

Performance measurement is also used to reflect upon the performance of the MAGs through knowledge sharing and feedback between the senior managers of different institutions within the sector. A director from an art gallery explained:

We look a lot at our annual performance and see the patterns. We also look at the museum as a whole, the number that comes to the building. If attendance is up, then our donors should also be up, because we should be engaging with a lot of people. We also look at other museums, see how they are doing, to get best practice across the museum... And that is kind of how we measure performance. It is kind of sharing of knowledge and expertise (DOF, AG3).

However, a director cautioned about relying too much on the KPIs, focusing on measuring performance and losing track of what really matters:

I don't think you should be too hung up on them. Just for principle, you must be aware of the danger of measuring things that you can't measure, being driven by targets to do perverse things. And you don't always know what is good or bad (DOG2, M2).

Similarly, the Head of Museums, Libraries and Archives from a sponsor institution argued that whilst KPIs can help achieve the desired target, placing too much reliance on the specific indicators can lead to measuring things that may not necessarily relevant:

Having run local authority where intensive KPI regime was use it think it has its positive in encouraging you to have what you need to achieve. To be fair, that is

quite often, to be that is reasonable thing like, improving the make-up of your visitors across different communities or gender or whatever. On the downside I thought, you end up focusing on those areas and sometimes chasing those targets rather than thinking about the bigger picture. You have got to balance it. Yes, KPIs can help you they are trying to move you from a position to an improved position but I do think you need to keep the bigger picture and not to just chasing target. You will end up losing holistic approach of what you want to target for the museums (HMLA, S2).

The Head of Museums Libraries and Archives further commented:

One of the things about the KPIs is that they are politically driven. The national museums whether they like it or not, is always driven by political agenda. So those KPIs are how they are performing within that political sphere. Some of the KPIs that the museums thought are good to be included, the government may not be interested in because that is not what it wants to achieve politically. I think KPIs need to be something that is agreed between the government and the museums but I think the museums have to accept that these KPIs are politically driven. So they always reflect on what the government wants the organisations to achieve (HMLA, S2).

Accounting mechanisms are tools of governance that enable the discharge of accountability internally and externally. The senior managers of the national MAGs report to the board of trustees to provide trustees with relevant information about plans, activities, and decisions made by managers. Subsequently, MAGs also report on their KPIs and annual report to the government and external stakeholders. From Foucauldian perspective, accounting mechanisms make the senior managers and boards of trustees docile by subscribing to standard norms and practices to avoid normalization judgement. Furthermore, accounting mechanisms train subjects to govern and improve themselves through processes of comparing performance and learning from others.

6.3. Meeting accountability expectations

Foucault's elements of panopticon surveillance may be conceived as a means to create accountability (accountability to others and the self). The feelings of being constantly observed and fear of penalty to normalize behaviour lead to good conduct among the senior managers and boards of trustees of the MAGs to discharge accountability. Different directions of accountability are discussed in the next sub-section.

6.3.1 Accountability to the government

Because DCMS funds MAGs by using public money and is ultimately accountable to Parliament, it maintains oversight of MAGs. The board of trustees and the CEO of the

MAGs are appointed by the government via the Prime Minister's office. Therefore they are directly accountable to Parliament for the public funding provided by government. However, the government does not directly influence the way that the MAGs are governed, but indirectly influences them through the KPIs and management agreement. As stated in a report by the House of Commons (2002a, p. 10):

The museums and galleries are accountable to Parliament, through Ministers, for their spending and the proper management of their institutions including the safeguarding of the national collections. The DCMS is not involved in the day-to-day running of any of these museums and galleries but is accountable to Parliament for the public funding provided to them.

The government examines MAGs' performance through their performance indicators and the management agreement, but adopts a hands-off approach. As explained by the Director of museum sponsorship from DCMS:

Again, it comes back to the management agreement and KPIs. But it is much more high level and hands-off. I mean the museums have their way; we won't bother them (GOVI, DCMS).

The same director from DCMS commented that because MAGs are independent bodies (i.e. non-departmental public bodies), they are different and unique, and are run by the trustees:

They all have to be accountable for the use of public funds. I think we just need to be slightly mindful of the fact that they are different, so thinking about the way in which we ask them to account for that money, are we being fair and honest with the fact that they are independent bodies run by the trustees of that body. Have we got the balanced accountability quite right? So I think that is the next big question? (GOVI, DCMS).

However, a director from an art gallery argued that government tends to influence and control their operation, making it difficult for the management to make decisions:

We were constantly having an argument when the government has been very insistent and says "you can only procure something through a certain route". So we would say, "No, our needs are different to somebody else, we are not an office block". Cleaner maybe cheap but that is not the way we do things here. I know some museums that are going to be called to report to. I think the cabinet office said: "why they haven't followed the procurement guideline?". I think a well-managed organisation actually has to query and has the responsibility to get the best value to get its needs, and not just necessarily blindly follow government's requirement to do a certain thing which may not always work for you (DOR, AG2).

One director from a museum explained that accounting and auditing mechanisms are the main means for them to account for their actions and performance towards the government:

So, ultimately we produce a set of accounts on an annual basis, which we submit to Parliament every July, and that is formally the process of accountability for the museum. We also submit a quarterly report to DCMS, which is the information regarding those KPIs. Then we're audited by the NAO who audits those accounts and will also participate in our Audit Committee and with us, choose to audit different bits of the organisation. So that's the kind of government accountability (DPE, M1).

Despite concern raised by some of the senior management team, a director from another museum recognised that the arm's length principle is important for this type of institution to maintain their services to the wider society:

So I think the government is right to have the feeling over that arm's length principle through the Heritage Act. I think if you just think of Royal Mail, railways, utility companies which are all privatised, their focus shifted away from customer service and customer value to financial matrix. And I think that would be the danger (DOD2, M2).

It is difficult to meet the expectations of different stakeholders, in particular between the government and other stakeholders. The government is the main funder for MAGs and therefore places major interest in the governance of these organisations. A CEO of a museum acknowledged the importance of government funding for survival as follows:

Museums require state's subsidies. I don't think you could run a museum like this without government funding, simply because the collections are too large and too important. The cost of maintaining them is too high to be recovered purely from say admission charge to the general public visiting the museum (CEO, M1).

A curator from a museum stated that they demonstrate accountability by complying and doing what the government wants them to do:

We are doing what they want us to do; we deliver. So generally, we don't get messed around too much, which is what I think. In terms of accountability, it is always a big thing, that it affects the way you work or do things (CUR5, M1).

Similarly, a director explained that the museum tried to comply with the government by not having an overt tie with countries or companies that engage in unethical practices:

Developing an overt relationship with extremist organisations like Islamic state would create political problems. Likewise we don't engage directly with companies that sell tobacco products, certain companies that have bad human rights records, we would turn them down....We do have very strict ethical rules as well as being guided by the political environment (DES, M1).

However, the director maintained that the museum would endeavour to give information based on facts although this may not satisfy some stakeholders. The director commented:

But at the same token, we actually want to be bold in our statement because in our remit is to educate people with facts. And so, we would not step back from providing

factual information, even if it was problematic to some of our stakeholders. If there are facts, we would still spread them (DES, M1).

The fact that the MAGs receive funding from the government makes them formally accountable to the government. Furthermore, their existence and role within the society has been determined in statute. The government places great interest in their governance by using its mechanisms as a ‘panoptic gaze’ to influence their activities. Other than government’s funding, the MAGs also receive non-government sponsorship and private donations. The next section explains how MAGs discharge their accountability towards corporate sponsors and private donors.

6.3.2 Accountability to non-government sponsors and private donors

Non-government sponsors comprise corporations, other institutions, trusts and private donors that have specific interests in the MAGs. The sponsors provide financial and non-financial support to help the MAGs undertake specific projects and activities. A director from a sponsoring institution explained their financial sponsorship of MAGs as follows:

Sometime we have a capital or big award, ranging from £2m up to £10m. That can be for making the museums’ building work, or some display or exhibitions. So those are kind of big pieces of work. They come under our strategic funding. And then, there are others, for small pieces of work, which could be in few thousand pounds to restore archives and look at research resources which can be part of the museums. So it can be quite broad. We don’t have a set amount. It depends on what people want to do, and under which scheme they are coming for (GOD, S1).

With regards to non-financial assistance, the same director commented:

Other than financial, we also provide a lot of advice about how somebody can carry out their projects. We usually provide feedback about their successful or unsuccessful project. We do monitoring so we look at how the project evolves, and then we can advise them, but we don’t do any work ourselves. Or we can ask some expert to give an opinion on something (GOD, S1).

However, the relationship between MAGs and their sponsors are mainly based on contractual agreements. They do not influence the governance of the MAGs. As stated by a director from one museum:

We would never describe that the Heritage Lottery Fund and Wellcome Trust are governing our organisation. They are funders, so that is the relationship; we enter into a contractual relationship with them (DOD2, M2).

Sharing a similar view, a different director from the same museum explained:

Similarly with the Heritage Lottery Fund, if we have major grant with them, there are certain conditions that we have to meet from their point of view. But it is to do

with the governance of the projects, which have to go through our governance as well. It is the condition of grants (DOG2, M2).

The sponsors would have contractual agreements with the MAGs which would cover issues such as access, compliance, and conditions on how the money would be spent. As stated by the sponsor's director:

If it is a building and there is a need for contracts, we will have a contract in place. But generally, for most of the awards, for example, we have an award with certain conditions which we expect certain conditions to be fulfilled. Usually we have things like, open access, availability to the public, conditions about how those monies are spent (DOG, S1).

A director from a museum distinguished the difference between sponsorship from corporations, and trusts and foundations by stating that the relationship with corporations is governed through a strict legal contract whilst the relationship with trusts and foundations is less formal as explained by the director:

With major corporate donors, there is a contract attached to it... So there are structured legal agreements. For example, BP, we have an agreement, a layout of the nature of partnership with them... With trusts and foundations, sometimes there is a memorandum of agreement, containing details of the reason for the money being given. The gallery says it will direct the activity and funds towards activities that are for. So we have different levels of agreement from a very strong contract to a purely verbal philanthropic partnership (DOD1, AG2).

When asked how sponsors hold MAGs accountable for the money given, a director from a trust (one of the MAGs' sponsors) commented that the trust does not directly hold the MAGs to account for the outcome but would like to know how they spend the money.

The director stated:

For example if it is a building project, the only difference is the time frame, so, if they don't build it, then that money is not spent anyway. We don't hold people directly accountable to us for what the outcomes are; we try to be fairly flexible to allow them to continue doing whatever activities they are doing. We just need to know that the money is spent appropriately (DOG, S1).

However, sometimes project can change due to specific reasons. Where the MAGs decide to do this, they are accountable to inform their sponsors and explain the reasons for the change of purpose.

Sometimes, projects can change; they would talk to us about that. In most situations, it is fine (DOG, S1).

MAGs can be conceived as breaking the spirit of the contract if they fail to inform their sponsors. As a result their application may not be considered in the future. The Head of Museums, Libraries and Archives from a sponsor institution explained:

If they did something that we haven't approve of, and we never became aware of it until afterwards, then we would take that into account when we assess their future grant application that they have broken the spirit of the contract by not telling us (HMLA, S2).

To demonstrate accountability, the MAGs provide a set of objectives for the related project and evaluate whether they meet the target set. They are also required to meet and discuss the project with their sponsors on a regular basis. As stated by a director from one museum:

You have to set up your objectives for the project that would have to meet their priorities as well. They may ask for other things to be included. They monitor the project quite closely; you will need to meet them very regularly. You would have to demonstrate that you have used the fund that you said you would use it for, and to evaluate the project afterwards (DOG2, M2).

The sponsors were also invited to work together on special projects to keep them in the loop regarding what activities have been undertaken by the MAGs for the amount of money given. As explained by the curator of one museum:

If we are working with academics on developing an exhibition, they are brought together to work on something. Whilst with external funders, it is a continued period of keeping them informed, making them know what the money is paying for.... Quite a lot of controls are in place (CURI, M2).

The Head of Museums, Libraries and Archives from a sponsor institution commented that their relationship with the MAGs is developed through invitation to attend events organised by the MAGs and other informal meetings. As explained:

Because museums host previews, they host events and they will invite us, we meet them at conferences, seminars. So all the time there is a soft relationship going on. That is how things work in practice and in theory we won't necessarily do that. We made it very clear that we are not the museum's strategic development. But we do have that soft relationship and I can see why museums want to do that because they want to keep that relationship (HMLA, S2).

However, these informal meetings do not affect the MAGs project's assessment process, as further explained by the Head of museums, Libraries and Archives:

The important thing is that, it doesn't affect how we assess their project. The project will still be assessed in due process. They invite us just to see how things are going, that is really it (HMLA, S2).

MAGs have the autonomy to decide how they want to undertake the sponsored project. However, they are required to provide a report to their sponsors upon completion of the project because the sponsors are interested to know how the money has been spent and the outcome of the project. As stated by the sponsor's director:

Usually we ask for an end of grant report. So the MAGs basically tell what they have done with the money. And sometimes it is a full report, sometimes it just literally says what the outcome of the project was. If it was for setting up an archive resource, then they would just tell us that they have done with it, where it is, who has access to it, etc. If it is a big building then, it would usually be a full report based on the surveying and building regulations, etc. So we would make sure that this is being done properly. Usually we try to make the requirement as easy for the applicants. We are fairly hands-off in terms of how they handle the project, but we just want to make sure they use the money appropriately. So basically they have to tell us what they spend the money on and what the outcomes were (GOD, S1).

Different from Sponsor 1 (S1), Sponsor 2 (S2) imposed slightly strict requirement in terms of reporting on the MAGs' project outcome. This was explained by the Head of Museums, Libraries and Archives:

There is a contract between the museums and ourselves which have to be signed by somebody senior, usually director or the chair. Then we have a monitoring regime beyond that. So for fairly low grant the standard monitoring regime is three reports. Not long after they start, midway and then at the end. We hold 10% back of the grant until they provide us an evaluation, so we have an evaluation report at the end. Depending on the project, we might put on monitor as well. So that monitor is to ensure that monitoring report is sent to us and to flag in any problems identified. And then for a bigger project, those reports are expected every six months. So there is a process all the way through so that we can see they deliver what they promise to do (HMLA, S2).

One director from a museum stated that non-government funders are not so difficult to deal with as compared to the government because they have a contractual agreement. This was stated by the director of one museum:

The sponsors understand our role; we have got a symbiotic relationship and it works very well (DOD2, M2).

However, a director from one museum argued that the sponsors are interested in controlling the projects they sponsor, although MAGs have retained editorial control over the projects undertaken. As commented by the director:

And you can find yourself where a very powerful corporate sponsor wants to have control over how our particular programme is run. We are very clear at contract negotiation that we retain editorial control and have always been very careful to keep that line between what is our cultural property in the way we operate (DOF2, M2).

The principal curator from one museum shared similar views regarding their problems with sponsors:

Donors have too much restrictions; we won't really want to touch them so much. If they want to get their names on the main hall, that is fine. So we won't be driven by donors. That is why I am very concerned if the government funding goes down. We might be heavily relying on the donors, because it then affects the political drivers and political culture of the museum (CUR5, M1).

As compared to corporations and trusts, private donors provide donations for ethical and personal reasons. Hence there is usually no formal contractual agreement. This was explained by a director:

With individual donors and special work, there won't be any contractual relationship. They just give money because they want to support us and choose to work on certain projects, but there is no contract (DOD1, AG2).

A deputy director who shared similar views commented that the museum tries to maintain its relationship with private donors for repeat donations. As commented by the deputy director:

We don't consider anyone who gives money; once they give money, the relationship stops there. There is a whole kind of follow-up and keeping in touch with them, because they will likely be the people that will possibly support you again (DCEO, AG2).

MAGs have always tried to maintain a good working relationship with their sponsors and private donors. The MAGs often invite them to be involved by asking them to provide input or advice on the projects sponsored. As explained by a director:

And with other sponsors, it is just a sponsor relationship, we are quite careful with who we sponsor with, ultimately it just a contractual relationship, where we say exactly what we would do for the amounts of money. We may bring people on board, so we regard them as partners, and they may participate in the project, but we would also always retain sort of editorial controls (DOG2, M2).

Good relationship has motivated some funders to continue providing funds the MAGs. As commented by a curator from one museum:

We have a relationship with one funder for over 30 years. They didn't have a large amount of money to give away. We built different programmes; they funded exhibitions, events and programmes. It was a quite well-established relationship and trust because we have been working together for a long time (CUR1, M2).

The relationship between the MAGs and their non-government sponsors and donors is governed through contracts. However, private donors provide donations for their own personal reasons and the relationship is informal. Although the sponsors may have their

own interests, the MAGs have always drawn the line in order to maintain control over the governance of activities pursued. However, to maintain the relationship, the sponsors were invited to attend some exhibitions and provide advice on the initiatives undertaken.

6.3.3 Internal accountability towards employees (including volunteers)

Employees may be regarded as assets that contribute towards progressing the activities of an institution. This also applies to employees of the MAGs; hence their roles are significant in ensuring the survival of the organisations. Therefore, the MAGs strive to ensure that the welfare and personal development of employees are taken care of by, for example, providing relevant trainings to improve their skills and make them docile (Foucault 1991). To support employees, a number of procedures are adopted by the organisations. One director of a museum stated that they have a set of policies that help in ensuring employees' welfare is taken care of:

Staff are important, so we also consider that resource is not just money, but also people. So we would make sure that we got the right staff, we are keeping them, by providing right incentives for them to stay, what facilities they have access to (DOG3, M3).

MAGs consider employees as important resources for achieving their missions and objectives. MAGs obtain input from employees through discussion and through surveys.

The same director commented:

In terms of specific objectives, action and performance measures that feed in the operating plan, we do have discussion with relevant staff. And some aspects of that are informed by every two years. We have an employee opinion survey where we ask staff standard questions around what they feel are important (DOG3, M3).

Staffs' experience and expertise are integral to improving efficiency and effectiveness, and ultimately providing value for money. Because the activities of MAGs are unique, staff retention is important to avoid loss of skills and expertise. As explained by the same director:

Some other organisations may cut the number of staff. That is fine for business when you can pick up staff a year or two later, but you can't do that with institutions like this because you got to look after the collections and maintain them and it is very difficult to turn that around. So once you get rid of staff, it is very difficult to bring them back in (DOG3, M3).

Employees' contributions come from their skills, experiences, expertise and good self-conduct which would be comparably difficult for the MAGs to gain if they were to employ new people. However, problems may arise when staff members want to pursue

their own personal interests, rather than helping the MAGs to achieve their missions and objectives. This was commented on by a principal curator:

There was a problem about local accountability being in conflict with central accountability. Science was organised into different departments which were in charge of a keeper. The keepers run their department as sub-institution, if you like. They will have their own career aspirations sometime in terms of what they wanted to do. Sometimes, what they wanted to do does not fit with the overall institution's objective. That puts somebody like me and other senior management in a very difficult position. Because you have got to get someone doing something that he does not really want, knowing that what they want is something else (CUR5, M1).

The principal curator further argued that bureaucracy and lack of understanding by senior managers may create red tape and delay projects:

Having to pass to many committees which don't understand what the necessary details they are looking at, is just another element that leads to stagnation and red tape. For example, a project that should be managed effectively, economically and efficiently so that the money is not wasted. But what has happened is that, too many procedures leads to frustration. Sometimes, I have to jump through too many hoops. (CUR5, M1).

Employees' contributions come from their skills, experiences, expertise and good self-conduct which can easily be lost if staff leave. These skills and self-discipline attitude are embedded in staff training and development programmes during their tenure of employment. The MAGs are accountable towards their employees for their personal welfare and career development. Trainings help the staff improve skills and expertise, which in turn benefits MAGs in providing value for money.

6.3.4 Accountability to the population

MAGs acknowledge that the main reason for their existence is to serve the population, or more specifically, their visitors. The tax paying public who effectively contribute towards funding the MAGs (through the government fund) expect high quality public services. A director from one museum commented:

A lot of relationships would be through funding, but if you regard the public as our key stakeholder, we take that extremely seriously. But the government is the mechanism by which the public's view is expressed. As you know we have a funding agreement with the government by which, in return for the funding we undertake to help the government to achieve certain goals, which might be around under-representation of audiences, educational goals and others (DOG2, M2).

Similarly, one trustee acknowledged that the government is responsible for looking after the interest of the tax paying population. The trustee argued:

Our major stakeholder is the government. I think we do bend over backwards so that everything is as transparent and accountable as possible because we use taxpayers' money, so we feel tremendously responsible about that. We have to be very careful to balance the book, not to go into debt, to fulfil the very ambitious mission and agenda, but not waste money, because it is the taxpayers' money, every penny of it... When I was the development director, I got a donation from a pensioner who was a teacher, and she was in her 80s. She sent me a pound coin in a card, and wrote, "I don't have much". That person also pays taxes on her pension (T2, M2).

A CEO explained that the MAGs are accountable to the general public (via the government), scientific community and corporate organisation audience:

We think about three public audiences: general public; scientific community because we are as much the scientific organisation as we are a place of education and entertainment; and, corporate organisation audience. So, if you think about the general public, yes, we are accountable to the general public. In fact, how does accountability to the general public manifest itself? Well, through the accountability to Parliament (CEO, M1).

The governance structure of MAGs also considers the importance of preserving their collections and national heritage for future generations. This structure is part of the government's agenda of safeguarding cultural assets. As stated by a director from one museum:

The governance structure is very deliberate and quite particular to museums. It is seen as part of the responsibility of the government to subsidise for future generations. So really, the governance structure is established for the beneficiaries that have not yet [been] borne, so that they can't be prey to political whims (DOF2, M2).

In summary, as public sector organisations, the national MAGs have to account to different stakeholders. This can be complicated because it is difficult to simultaneously satisfy all stakeholders' expectations satisfactorily. The main stakeholders are the government, corporations and other institutions that provide sponsorship, private donors, employees and the general public. Government may have strong influence over the MAGs through its power over funding and regulatory matters. The influence stems from power over the appointment of trustees and interference in major decisions such as museum closure. In terms of the non-government sponsorship and private donation, the relationship is based on contractual agreement and informal relationships such as trust and ethics. Accountability towards the public is generally manifested through the services provided by the MAGs.

The first part of this chapter (Sections 6.2 and 6.3) has answered research question 3 by discussing how the MAGs govern themselves as docile agents of the government in their pursuit of achieving accountability objectives. Section 6.2 discussed how regulatory framework, the roles of the board of trustees and accounting mechanisms, were used by the board of trustees and the senior managers to conduct and govern themselves in order to minimise penalties and meet accountability objectives. The findings showed that the MAGs' governance is shaped by the government. Section 6.3 discussed how MAGs discharge their accountability towards the government, non-government sponsors and private donors, employees and the population. The findings showed that the MAGs manifest their accountability towards the population through the discharge of accountability towards the government. However, the relationship between the MAGs and non-government sponsors are through contractual agreement. Senior managers and the trustees argued that it is quite difficult to fully meet the expectations of the government. This is because the MAGs may have different ways of governing which sometimes is not in congruence with the demands of the government. The senior managers have conflicting views in respect of the MAGs' relationship with non-government sponsors. Private donations were based on the donors' willingness and trust; therefore there is no contractual agreement made between the MAGs with the donors. Additionally, the MAGs have an internal accountability towards the employees who help pursue their activities and achieve the mission and objectives of the organisations.

The MAGs highlighted that they find it difficult to meet the often conflicting expectations of their stakeholders. As a result, tensions may arise because of the restriction in doing things that the MAGs wish to do or forcibly have to do. This chapter now turns to answering the final research question which involves focusing on the tensions and challenges faced in the governance process. The chapter also provides tentative suggestions to overcome these challenges in order to contribute to policy making.

6.4 Governance challenges and tensions

Tension or resistance is co-extensive within Foucault's conception of power, because power leads to tension or resistance (Foucault, 1991). Whilst government exerts power over MAGs, MAGs may wish to do something else, but have to comply with government's rules and decisions. Furthermore, the MAGs have found it challenging to

maintain their services in light of the current era of austerity, where the government has reduced its budget. The CEO of one museum explained:

Our biggest challenge over the last few years, and looking ahead, it is going to be financial. Government funding has fallen by more than 25% in real terms between 2010 and now and next year. Well, we know our funding was cut for 2015-16. Our government funding would fall by £7 million a year over that period. So we would have to make up the difference or cut expenditure to reflect that (CEO, M1).

The CEO further commented that MAGs have to cope with high fixed costs and inflation, despite the funding cuts:

We explained to the government about the cost of running the museum. We are an organisation that has very high fixed costs, all of these buildings to maintain and collections to look after. Lots of our costs are unavoidable. We have business rates and we have utility bills. These are all escalating significantly. If you look at the utility bill over the last 10 years, they have gone up far faster than the rate of inflation, and yet our funding is falling... We are all having to suffer our fair share of the pain, which is a little bit galling when during the good times, museums only benefited to a minor extent in terms of funding growth (CEO, M1).

Financial restriction has effectively led to other problems of governance (Rose & Miller 1992), such as the delivery of services. The MAGs are concerned about more cuts in the coming years. As stated by the NMDC:

By 2016 national museums will have had their government funding cut by almost a third in real terms since 2010, and the full impact of cuts across the museum sector is still to be seen (NMDC, 2013).

Moreover, financial restriction makes it difficult for the MAGs to meet the expectations of visitors. A curator from a gallery commented:

We can't continue to offer everything that we do with a diminishing budget. There is no question about that. What usually happens is, what is seen at backroom activities over the last five years, we are cataloguing our collections at a much lower rate than we were able to do previously. Which means that, we can put less on our website, for example, we might be acquiring a degree of similar amount of material; we can't share that material as we used to (CUR3, AG2).

However, the curator said the budget restriction has not really affected their public facing activities and argued that free entry should be continued to keep attracting more visitors and improving access. The curator commented:

It hasn't affected quite so much. Our public programme still maintains a very lively and vibrant public programme which is free. That is fantastic. I would absolutely defend free access. What happens is in another country abroad, they routinely pay an entrance charge for museums. And it is genuinely wonderful that you can still walk into national museums and art galleries across the UK at zero cost. That is

the biggest driver for increasing access to people who come now and people who may come in the future. So we still want to maintain that (CUR3, AG2).

Similarly, a director from a museum stated that the funding provided was enough to cover basic expenses only, such as maintaining free access, cleaning and looking after the museum's collections. However, the cost of repairing and maintaining the buildings has increased as a result of the increasing number of visitors over the years. As argued by the director:

Well, purely because of the economic reason, our funding has been continuously cut, something like 30% over 30% real cut. Cut in real-time over the past 4 to 5 years. Yet visitor numbers are increasing which create wear and tear on the fabrication of the buildings. Very crudely, government's grant every year allows us to keep the building clean, open the door and look after our collection, that's it (DOD2, M2).

The director further commented that they have to use other sources of income for additional expenses:

Repair to the lift, repair to the toilet, roofs, new exhibitions new galleries and outreach learning programme, we have to fund that from our commercial or philanthropic sources (DOD2, M2).

Limited space is one of the problems faced by MAGs which affects visitors' satisfaction. This problem occurs mostly during school holidays, where the number of visitors increases significantly. As commented by the trading director from an art gallery, this problem cannot be solved easily due to financial restrictions:

I am constantly arguing for more retail space in the gallery. We don't have anything like that kind of space. So being able to point to what other museums have is one way of saying, "look, we just don't have enough space"... We have near 1,400 visitors per square foot. And we have got photography showing that at our main shop, where you can't move. I think there might be lots of children buying pencils and postcards which is great, but if there are a lot in there, somebody who is looking at our £200 necklace, it is not a nice experience for him or her. So this is the constant battle that we had (DOT, AG2).

A director from one museum who had a similar view commented:

During school holidays, it is not a pleasant experience. We are a vast museum... We have around 20,000 people per day... (DOD2, M2).

Moreover, the MAGs are facing major corporate risks, particularly in their bid to win funding from other institutions. The MAGs face further challenge in obtaining or winning non-government funding due to competition from other institutions. The CEO of one museum argued:

Not only government funding is falling, winning scientific research funding is going to be difficult because the pot of scientific research funding is not growing very quickly. Certainly what Research Councils UK (RCUK) has to dispense is probably flat cash over the next few years. So it is going to be harder to win the research council funding as everybody will be looking for that (CEO, M1).

A trustee from one museum argued that whilst government funding keeps reducing, the MAGs are facing tough competition in obtaining sponsorship from other charitable institutions:

We are getting more from private philanthropies, trust and foundation. The government can't increase the fund. Just look at the overall trend for the arts and the public sector. It continues going down, university funding, education funding, everything is going down. So there is no way that they are going to make exceptions. We get funding from the National Lottery for special projects, but it is tough (T2, M2).

The CEO from one museum shared a similar view regarding the difficulty faced in obtaining sponsorship from other institutions. During an interview with the Financial Times, the CEO commented that:

Winning donations from benefactors is an uphill struggle, even for the most adept of fundraisers. Charitable donations to arts and culture were down by about 20 per cent last year (Financial Times, 2014).

One curator commented about the problem of relying on philanthropic income which is not stable:

The non-government sponsorships are hugely not stable. Funds from corporates have gone down enormously over the last five years because of economic instability. I would hope that they come back at some stage... But corporate sponsorship has just fallen enormously to the floor. Things that we would have found possible to get sponsorship, for example an exhibition, we have planned to stage an exhibition, but have not got the sponsorship yet. Years ago we would have people falling over themselves to bid for sponsorship at a much higher level than we even get today (CUR3, AG2).

Inevitably, financial difficulty has forced the MAGs to reduce their staff. One curator from a museum stated that they had to make staff redundant as an alternative to keep their costs low. As commented by the same curator:

Over the last two years we have lost staff. We had to lose two curatorial posts, which meant that we had to do things in different ways. We had to do slightly less displays than we put on previously... Because we simply don't have the resources to attract people who want to borrow from us some of our display, write the labels, provide information with text, etc. If it is to continue, I will have to lose two more staff and it will affect on our programme in London. We couldn't continue to lose staff. We are quite 'clip to the bone' I think, in terms of our staffing at the moment (CUR3, AG2).

The director from one museum shared a similar view and commented that they made staff redundant:

It is huge about how we balance our books. We just finished our three-year period of cutbacks of change management which basically we called it redundancy; bring our cost base down (DOD2, M2).

During the era of austerity, the government has introduced a pay freeze to institutions like the MAGs, which limits employees' pay rise. As a result, the organisations have been losing good employees who moved to other institutions that offer a better pay scale. As commented on by the CEO of one museum:

Because we are Non Departmental Public Bodies, we have to adhere to certain government's rules and constraints. There is a pay freeze in government funded jobs for two years, followed by a limited 1% increase over the next two years, which means, for most of our staffs, unless their jobs have changed, they would have only a 2% pay rise in 4 years. Whereas it might not be too problematic for somebody at a later stage of their career, it is very problematic for people in their 20s and 30s who would expect their career to be moving on and upward. So that is an issue. So in order to get on, people have to move organisation. So we are losing people that we rather do not lose because of the pay-freeze and the constraints (CEO, M2).

A director from one museum shared a similar view:

We need to spend more in order to find more money. One example is pay; we need to be able to pay more people, particularly in our development team that bring in more money. But we found it difficult to compete because of the constraint in public pay, to get to people to stay here, because we don't pay enough (DOG3, M3).

However, the funding cut is seen as a motivational factor for the MAGs to be less reliant on government and be more creative to look for strategies to earn self-generated income. This can be from philanthropy, paid exhibitions and trading. A curator from one gallery commented that:

I think to a degree, a level of budgetary restriction does allow one to be creative. You can't do that but you can do this. So we need to be more thoughtful about what it is that we can achieve with limited resources (CUR3, AG2).

The curator explained how they have managed to generate income from philanthropy, which was mainly from corporations, trusts and private donors. As argued by a curator from one gallery:

We have a very small acquisition budget - we were given about £305,000 which remained the same since 1992. It would have acquired more items thirty years ago. We are looking for additional funding, and just recently with the acquisition of the van Dyck portrait which costs £10m, negotiated over a three or four year period... We only put in two years' worth of our budget, and we have raised all of the money

for that externally. So that would be through art funds, heritage lottery funds, private donors, individuals, trusts and foundations (CUR3, AG2).

The curator further argued that although the cost of the artwork was high, it provided good value for money because the painting will remain on the gallery's wall for many more years to come for public viewing. Private donors who came to visit the MAGs gave donations because they acknowledged the need to financially support future generations.

As commented by the curator:

We now have an amazing object on our wall which will still be here in a 100 years' time for the public to see. Of course it is worth it. I think for what it is, it does not diminish our ambition but make us keener to be able to look for outside resources. To a degree, there is a recognition particularly among private donors that they need to step up to that, because it seems that we are not going to be able to continue without a public funding to acquire this work of art at the same level without that support (CUR3, AG2).

Financial restrictions have also prompted one of the museums to close one of its branches. This decision has attracted enormous attention by the media. As explained by a director from the museum:

Last year we received huge national attention. We have a national museum in Bradford, the visitor numbers were declining, the community didn't engage with the museum. We did say, because we are receiving continuous cuts from government grants, it looks like that we have to close one of our museums, which more than likely is the Bradford museum (DOD2, M2).

The plan has been strongly rejected by the DCMS because the museum's closure would have a negative social and economic impact on the region. As stated by the same director:

But DCMS said, no we cannot close the museum. In theory, it is an option, we could close one of our museums, but in reality, the government won't allow us, especially those outside of London because of the social and economic role they play as well (DOD2, M2).

A trustee from the museum argued that the museum's closure indicates/suggests the failure of the government in providing sufficient funds to maintain the museum. The trustee commented:

Politically, it would disadvantage the government if the museum closes one or two of its branches. People will see the closure of museum as a result of funding cuts. As for now, our museum does not have the option to close its branch (T1, M2).

A trustee from the same museum shared similar views and added that the museum would be at a disadvantage because the government has 'threatened' to penalise it by further cutting the funding allocated if the plan was to be proceeded . As stated by the trustee:

The response from government was to impose conditions on the grant-in-aid in order for the museum to stay open (T2, M2).

Government's decision to reject the plan of closing the museum has coerced the trustees and senior management to change their strategy into reducing activities, changing management and offering more paid exhibitions. As stated by the trustee:

You know when the government said we were not allowed to close our museum, we revised our plans. And we are cutting a lot of activities of the museum, we are cutting staff, we have already moved out one of our buildings and we have already outsourced some of the offerings to cut cost. So we created the plan that was much more manageable. The local authority in Bradford has given us £1m, so they kept their promise. But the central government haven't yet (T2, M2).

Within their governance, the MAGs were expected to be more up-to-date with information technology, to cope with digital technology. However, whilst recognising the importance of digitization, the CEO from one museum commented that budget restriction is a big challenge that they have to overcome if they were to introduce a digitization project:

Another important dynamic is the way that digital media are changing or have changed everything, really. Expectations from our museum visitors that digital media would form a larger part of what we do. Expectations on what we could deliver on the web. Expectations about digitizing collections that are available for study, and digitizing for collection of information, better data about collections. We got 80 million items in our collection. In theory the cost of digitization of collections is going to be massive. So a question we got to ask is, if you can't digitize everything, what is the process, how do you decide what you should digitize and what you shouldn't? (CEO, M2).

Government's interference in the operations of MAGs causes tension. For example, in terms of public procurement, the MAGS feel coerced to follow approved government suppliers. MAGs have to go through central government's contracting procedure when they can negotiate a better deal from other suppliers. A director from one museum commented:

So the conflict or tension that we have, which tends to be around a specific issue such as procurement which we might be told that we have to sign up to a central government contract. But we know because of our name and who we are, we can negotiate a much better deal with somebody else (DOF2, M2).

Another example where the MAGs have to obtain approval from central government is with regards to the disposal of land and building. As stated by the same director from one museum:

The DCMS is more than just a funder. We are the public sector body, and in that respect, we have certain responsibility and accountability to behave in a particular way. So there are restrictions in the way we operate, and the extent in our power. There are certain delegated responsibilities and authority beyond which we have to seek permission. If you look at the statute for example, if you want to dispose of land and buildings you need the permission of the secretary of state (DOF2, M2).

MAGs are also coerced to implement government's initiatives, such as STEM projects. A director from a museum explained that they are not consulted and do not necessarily agree with the government's initiative:

There was an initiative that came out of government about how to get new people to study STEM. I think you often wonder why the next initiative is not informed by the previous initiative. Where does the new one come from? We are used as a platform very often, either to promote that initiative or inform that initiative. It can be quite difficult because some of those initiatives we don't agree with. We know that it won't work (DOD2, M2).

However, the government often has the final say in the case of conflicts, although MAGs may decide to not get involved in a particular initiative. When asked about the strategy of the MAGs to reject the initiative, the development director replied:

What we can do is demonstrate what will work and what won't work. Because we are arm's length if we don't agree, we just say no, we don't want to get involved in that. But we have to be very careful because we are conscious that they are our funders, particularly DCMS. So it is a political battle with words about which initiative we would choose to be involved in, and which one we won't be involved in and we don't. Ultimately it is the government's decision that often prevails (DOD2, M2).

Similarly, a trustee argued that DCMS will only occasionally take their views into consideration because they are 'told what to do':

They always listen but to change their sounds and results is an entirely different matter. It depends on how much freedoms they have, occasionally, they may accept our views and change the result. On some issues they don't have freedom. They were told what to do by the cabinet office (T1, M2).

Another director argued that their strategic objectives should be decided by the MAGs, rather than being influenced by the government. This is because the MAGs know their own internal affairs and activities, whereas the government would only know from a broad level. The director commented:

In actual fact, I would argue very strongly that it's more important for us, as an institution to decide what our strategic objectives should be, based on our history, what we're trying to achieve, what the operating environment looks like. Then, we set our strategy with our objectives, report to our governing body or the trustees.

We don't report to them on the DCMS statistics, because they may or may not be relevant to what we are trying to achieve (DPE1, M1).

Another tension that the MAGs faced due to government's intervention was concerning the accounting treatment of their philanthropic income and expenditure. For example, any income should be treated as public money although this could be from a non-government source. The government's requirement can be perceived as a means to observe, monitor and control income received by the MAGs. As commented by the CEO of one museum:

Our trustees and I personally, are accountable for public funds, but in the case of arm's length body, any money that passes through the organisation has to be treated as public money. So any charitable money or any commercial income that comes to the museum, arguably isn't the public money but has to be treated as if it is (CEO, M2).

Another director from a museum claimed that they would like greater autonomy over how and on what they spend the income from non-government sources. The director argued:

Because we raise other income, now for us, less than 50% of our income is the grant-in-aid. So we would like complete freedom on how we spend that money and what we spend it on (DOG3, M3).

The government's accounting rules do not allow the MAGs to spend more than the financial limit that has been set. This in effect prevents the MAGs from spending money as they deem necessary for certain projects, although the money comes from other sources. The director argued:

The tension could be where we have raised money through philanthropy or corporate donation or sponsorship. That money in effect does not come through the government, it comes direct to us. Because the government's accounting rule is ensuring that the department does not exceed its financial limits, it could mean that we aren't allowed to spend money on say, projects... And because that would breach government accounting rules, it means that the DCMS must not exceed the amount that Parliament say they can spend (DOG3, M3).

In 2013, the government has increasingly given some flexibility and freedom to the MAGs in managing their activities and financial matters. This flexibility was quite helpful because the MAGs were given some autonomy to make their own operational decisions.

Increasingly there is some flexibility and recognition within the government that museums need to be given a certain amount of freedom. That has been very helpful over the last years. It started just in the recent years. Obviously different government has different approaches. During negotiation of the last spending review, a certain number of operational freedom for museums was secured... They are very specific but they help us have much more control now than before. In that respect it is very helpful (DOF2, M2).

The government also introduced a loan scheme to provide MAGs with the opportunity to invest and regenerate their income. The loan scheme which forms part of the freedom package incentivised the organisations to increase their financial independence from government funds. The loan scheme was expected to benefit these organisations to achieve financial freedom and increase income, as explained by the Director of museum sponsorship:

We just started on a loan scheme. We have 40 million pounds each year that we can give to national museums and galleries with the purpose of them coming up with ideas for income generation. So most of them are quite interesting. They are going to bring in more money, they are going to build a new café, and they are going to extend their miniature railway. So once they pay back their loan then they will be able to raise money quite quickly (GOV1, DCMS).

A director from one museum was hoping this new freedom package would enable the MAGs to use their financial resources effectively:

In our recent spending review announcement, the chancellor announced a pilot of a number of regulatory freedom for sponsored MAGs, one of which was allowing us the freedom to spend our money when we like (DOG3, M3).

Government's involvement in appointing all (or most) board members has raised concerns among the directors, as trustees may be appointed based on their political alliance. A director recalled how they had to go through the selection process of the Chairman because the candidate was from a different political party:

I remember the last time; it was a difficult time, because it was a general election year. The outgoing government haven't made a decision. Then the new Conservative government came in, who threw out our recommendation because the recommendation was from a Labour party. Then we had to start all over again. It was a very long process (DOD2, M2).

However, a few participants argued that government's involvement in the trustees' appointment process was important to ensure the right candidate was selected for the MAGs. A trustee who was appointed by the government commented:

Obviously this is because the museum is created by the legislation. Since it is a public actor created, it was bound to be....I would not myself support co-option by existing members. It encourages complacency and smartness within the trustee boards. Outside appointment is preferable (T1, M2).

Another director from an art gallery commented on the importance of having the government be involved in the trustees' appointment process.

The government is interested in appointing the Chair and trustees because we are in receipt of government's funds. It is important that we are overseen by a neutral

body that is not handpicked by a staff member or director here. I think that is important so that we have a third party watching us (DOF, AG3).

There have been tensions between the board of trustees and senior management due to differences in opinion in terms of decisions or actions concerning the governance of the MAGs. A director from a museum commented:

There has been tension, and where the CEO said to the board, “you just have to trust us, we know what we are doing” and when they disagree to the particular course of action that we are taking. On an occasion the CEO had to slam his hands down and say “you are wrong, we are right, we know what we are doing, leave us alone” (DOD2 M2).

Furthermore, there was an occasion where tension has arisen among the trustees themselves because of different expertise and backgrounds. For example, certain strategic decisions may not suit their personal interests.

I think because they don't fully understand the work of the museum that the majority of the trustees are people from academia and the private sector. And each of those types of organisations have different ways of working from how the museum works. You have the corporate and commercial that take a lot of risk. The academic, they don't want to take any risk, and want to make sure that we properly research and think through everything, whereas the corporate, the commercial sector just wanted us to have a go, and see how it works. And then we have our own view on how we want to do things. And it obviously conflicts with both of these two parties (DOD2, M2).

The director further commented that differences in attitudes to risk and lack of understanding among trustees may put the executives in a difficult situation:

Because there is a tension between the academic and the corporate, and then, we are caught in the middle, at that point, we just have to trust that we know what we are doing. It is just purely because of different culture and lack of understanding (DOD2, M2).

Interviewees generally agreed that KPIs are important to measure the performance of their organisations. However, the fact the KPIs provided by the DCMS are generic can be less meaningful to institutions that undertake different kind of activities, for example, in terms of loaned items. A director from one museum commented:

Well, the government is trying to compare apples and pears really. For example, a science museum may lend out one big statue which is pretty important, whereas we might lend out a thousand butterflies. We have numerous objects, so quantitatively I don't think it is fair to compare (DRMIA, M1).

A curator shared similar views with regards to one of the KPIs:

We are an abnormal museum for DCMS, which can be frustrating sometimes. For example, our loan figures would be in the 10s, 20s of thousands small things in a

year, whereas other museums may have a very low loan figure on big objects. So making that kind of comparison between these organisations is ridiculous. So we need to have a reflection of what we actually do. I think they are not collecting or bothering, which is a good thing, but if it was me, I would want to know about more concrete and useful KPIs about what we deliver to science or deliver to the world (CUR5, M1).

The curator further commented:

We would like to have our scientific research and publications be included in the KPIs (CUR5, M1).

A deputy director for the same museum had similar hope that their science activities would be captured in the KPIs to send a message about their work to the public:

Well, the whole science thing is not being captured by the KPIs. It is an ongoing issue for the museum to get across the message that we do science.... We actually undertake scientific research. We very often have visitors from government, corporate bodies, industries whom we would show them behind the scene, who would say "Oh, I never realised what you did here". It is just something that we would like to send the message across to the broader level (DDS, M1).

The KPIs provided by the DCMS are quantitative and do not really capture the quality.

As commented by one director:

The trouble of KPIs is that they tend to be more quantitative than qualitative. So you miss out whether something is qualitative. You got 6 million people coming to the door, what does it mean in terms of quality? I wonder what some of these people take away from the museum. Are they having a great visit? Are they understanding? Is it inspiring them to become scientists? (DRMIA, M1).

A director argued that by using quantified KPIs based on the visitor numbers, philanthropic income and loaned items would not reflect the actual activities and strengths of the museums:

Visitor numbers are obvious; if we have more people here it shows that we are popular with the public. The second one, philanthropy income is whether people have been inspired by us, and then when they become wealthy they feel that they should put money back into it. The third one, loaned item, shows how valuable our collections are, for scientifically and perhaps, monetarily....But I think it is a little bit simplistic and doesn't place to our strengths as a scientific research institute. We actually are suffering from the fact that part of why we are and what we are, and we have 300 research scientists. We are actually producing new science about our objects...I think we need to extend those because we are an unusual organisation; we have this large element of scientific research (DES, M1).

Empirical evidence showed that the trustees and senior managers expressed their resistance 'silently' through some of their comments. They somehow managed to overcome some of these challenges and tensions by being pro-active and put less reliant

to government's funding. A number of initiatives have been undertaken by the national MAGs to enable them to become more self-reliant and less dependent on the government's funding. Some of the alternatives are discussed in the next section.

6.5 Initiatives to overcome the challenges and improve governance

Whilst the MAGs have been able to maintain good services, continued financial cuts could lead to deterioration of their service level and affect their governance.

The museums continue to adapt the focus and nature of partnership working as a way of managing the impact of cuts to public funding and developing greater resilience. However, it is important to recognise that much of the work had begun before cuts to public funding, and therefore it is unlikely that this level of activity could be maintained if public funding to museums continues to decline (NMDC, 2014b).

Some strategies have been taken by the MAGs to survive, for example, by reducing a number of projects, attracting more donations and introducing more paid exhibitions. As explained by a director:

We will be reducing the quantity, not quality, of projects that we run. You know, exhibitions and events, that kind of thing. We are having much more assertive, not aggressive, policy of asking for public donation, which we don't get any much direct complaint or advice that people might mention it. So we are going to introduce more paid-for exhibitions on offer. So a new exhibition now, we would start additional charging for them, unless we have sponsorship, whereas before it was much more of a choice, whether we did or not (DOD2, M2).

Another director from the same museum shared similar views by mentioning they have to reduce services and generate funding from non-government sources:

Ninety percent of the challenge is funding. So we are making very stringent cutbacks, we are reducing activity, we are reducing headcounts, but trying to deliver ambitious projects. It is very tight. We are looking for increasing activity to generate funding, maybe things that we don't think of doing a few years ago. Here, there is a particular thing about science as part of culture (DOG2, M2).

The MAGs may also consider the strategy of reducing opening hours. As explained by a director:

At the moment we are not talking about reducing our footprints. For example closed a day a week or some of the areas – we are not talking about that at the moment, but if thing gets worst, we may have no option if we are not successful in growing income from other sources (DOG2, M2).

The MAGs' may generate income by renting out space for conferences, meetings or other events to businesses or third parties. The CEO of a museum commented:

One of our important businesses is conferences and events business. We sell the spaces in the museum, outside of the museums and events. During times of recession that is a bit of a problem and very difficult business to sell but at the moment the business is ok. So we can be more optimistic about that business in the next few years (CEO, M1).

Moreover, one museum has planned to creatively explore other business opportunities that can be financially beneficial. As explained by a director:

We have a big storage site in Yorkshire where [we are] working with the partner to put in a large solar array for energy generation. That's not anything we know much about. But we are trying to be imaginative. And that is something the public won't necessarily notice although some people in the area object to it, other people will like it (DOG2, M2).

Generally, the MAGs are working towards becoming financially independent, by focusing on generating their own income and putting less reliance on government's funding. This strategy may help them gain more autonomy in terms of governing the organisations. As explained by a director:

What we want to do is, to get to the point of reaching 60% of external income, and 40% from the government. We don't want the grant to reduce from the government, but we just want our overall turnover to increase, that is the growth proportion from the philanthropic and commercial income (DOD2, M2).

The director further commented that MAGs should have the freedom over appointment of trustees, and have a greater say over whose contract should be renewed based on their performance:

I think if we have greater freedom in terms of the appointment that would be better, without government interference. I think it would be much easier for us, if we could be much more flexible in terms of service as well. Some trustees have been working for three years, and potentially another three years, that is quite long for some of them. Some you want to keep but some you don't want. If somehow we can have the flexibility to get new people it would be better. If we find they are adding value, we would recommend that their term be extended (DOD2, M2).

The second part of this chapter (Sections 6.4 and 6.5) has answered the research question 4 by discussing the governance challenges and tensions faced by the UK national MAGs. It also discussed initiatives undertaken by the MAGs to overcome the challenges and improve their services. The main challenge that MAGs face is financial restriction, which is mainly caused by the government's approach of reducing its funding to these organisations. Limited financial resources have led to other cost complexities which affected the MAGs' activities and governance. Moreover, there have been tensions because the government intervened in strategic decisions made by the board of trustees.

The government's intervention has inevitably coerced MAGs to change their original plan or follow government's specific instructions to avoid penalty. The senior management team who runs the operations on a daily basis have better knowledge about the internal governance structures as compared to the government who see their governance from the 'tip of an iceberg' or from a distance (Foucault, 1991). However, as a main stakeholder who provides funding, the government's decision has always prevailed. Continuous cuts in government funding have motivated MAGs to become more creative in governing themselves in order to survive. MAGs are trying to increase their income by obtaining more sponsorship, renting space for corporate and other events, and increasing the number of paid exhibitions. However, sponsorship can be complex and unstable because of the timeframe of receiving funding and competition with other institutions.

6.6 Conclusion

Chapter 5 concluded that government has exerted its power through mechanisms of panopticon surveillance to control the national MAGs. The chapter also showed how government used its regulatory framework and accounting mechanisms, and influenced the process of board of trustees' appointment to *normalise* these organisations, hence creating docility.

Based on empirical evidence, this chapter has extended the analysis by showing how the MAGs govern themselves to avoid or reduce penalty from the government, by using the three key constraining themes of regulatory framework, appointment of board of trustees and accounting mechanisms. Empirical evidence also showed how MAGs have worked within regulatory, financial and government constraints. Reduction in funding has created a number of problems. It has restricted the ability of the MAGs to provide better services and increase efficiency because of their tight budget, and this meant that the organisations have to reduce some of their services which might have benefitted the visitors. The chapter also provided tentative solutions to alleviate the financial problems.

The findings in chapters 5 and 6 have been discussed and analysed by using Foucault's notion of *hierarchical observation, examination and normalization judgement*. The next chapter provides a critical discussion and analysis of the findings in chapters 5 and 6 in the light of Foucauldian theoretical framework developed in Chapter 3.

CHAPTER 7

Discussion and analysis of findings

7.1 Introduction

The objective of this PhD thesis is to examine how UK national MAGs are governed. It discussed the control mechanisms used by the government to monitor the activities and behaviour of the MAGs. It also discussed the processes used by the MAGs to conduct and govern themselves to achieve their accountability objectives. MAGs are one of the government's tools to achieve its objectives of improving the wellbeing of the population. Whilst it is acknowledged that not everyone places interest in the MAGs, their roles are significant in helping the government achieve its policy objectives. Therefore, they are expected to demonstrate accountability by undertaking activities which are in congruence with the government's policy objectives and practising good governance through self-discipline and self-conduct.

The thesis adopted the Foucauldian conceptions of disciplinary power/knowledge and panopticon surveillance to examine the roles of regulatory framework, the board of trustees' appointment and its roles, and the roles of accounting mechanisms. The elements of the panopticon lens, comprising *hierarchical observation*, *normalization* and *examination*, were adopted to show how the government controls these organisations at a distance (Hoskin & Macve 1986). These elements were discussed in Chapter 5 by meshing them with empirical evidence from interviews and analysis of annual reports. The government's control mechanisms induce docility among trustees and senior managers of the MAGs, who in turn practise self-conduct or self-discipline to create good governance and avoid penalties. Chapter 6 extended Foucault's of disciplinary power, by demonstrating the internal governing processes of the MAGs and how they account for their actions to the government and other stakeholders. Thus, the term 'governmentality' does not only refer to how government monitors, controls or disciplines the MAGs, rather it also refers to how the MAGs govern and conduct themselves (Foucault, 1978, 2007). The government exercises its power through the system of panopticon to monitor the conduct of the MAGs, to induce docility. The system of panopticon may be used by the government as a "technological invention" (Foucault, 1980, p. 178) in various buildings such as schools, hospitals, barracks, and MAGs to control and discipline the agents.

This chapter provides an analysis of disciplinary power and knowledge creation, challenges and tensions in the MAGs' governance structure from the Foucauldian

perspective. The empirical findings show that the MAGs also have to adhere to different regulatory framework. These Acts regulate their public sector, charity and commercial activities. The Companies Act 2006 and the Charities Act 2011 have an indirect line of control over the organisations, while the Museums and Galleries Act 1992 is the principal document which sets the ultimate control over the governance of the MAGs. As revealed by the findings, the requirement to comply with different sets of rules and regulations creates confusion and difficulty, which has resulted in tension and resistance among the senior managers. Furthermore, the majority of the members of the board of trustees who govern MAGs are appointed by the government. Although the member of the trustees may have specific interests within the MAGs, they are vulnerable to government's demands and instructions. This in turn shapes the way MAGs are governed. The MAGs are required to report on their annual reports and KPIs to the DCMS. Accounting mechanisms enable the government to assess their performance and are conceived as the government's tool to discipline and bring the MAGs to account for their actions. In short, the regulatory framework, the role of the board of trustees and accounting mechanisms are used by the government to make the trustees and senior managers of the MAGs docile and implement public policies.

This chapter is organised as follows. The next section critically discusses the changing roles of national MAGs in modern society. Section 7.3 examines the panopticon surveillance mechanism and its elements of *hierarchical observation, normalization* and *examination* used by the government to control MAGs and by the MAGs to govern themselves. Section 7.4 critically discusses the NPM governance model used in MAGs. It also discusses the perceived effectiveness of the KPIs. Funding and independence of the MAGs will also be discussed. Section 7.5 discusses the tensions, challenges and power relationship within the MAGs. The final section concludes this chapter.

7.2 Governing the population: Conventional and new roles of MAGs (RQ1)

MAGs can be conceived as the government's technology of governing the population (Foucault 2007) to improve the wellbeing of the population. The term 'wellbeing' can be referred to as "mental health, health in general or more general sense of quality of life and happiness" (Museum Association, 2012, p. 7). In the UK, national MAGs are non-departmental public bodies that undertake government's aspiration of instigating good values and norms within the society (Wilson, 2010) to improve the wellbeing of the

people (Museum Association, 2012). These organisations act as “tools of social control, by instructing the society with the conduct and knowledge required in the rationale of that society” (Wilson, 2010 p. 168).

In the past, the MAGs were conceived as places that incite feelings of nationalism and serve aristocratic, elite and upper class ideals of cultivated taste and fine arts (Bourdieu et al., 1990). People, mostly the upper class, visited the MAGs to cultivate and preserve culture. The culture was perceived to be valuable and provide the opportunity to attain a new way of existence and better lifestyle (Foucault, 2011). Hence, only a small minority of the elite population visited the museums. Interviewees stated that in the past the MAGs were visited by a specific group of people who placed interests in the art and cultural values.

However, the situation has changed, particularly since the reintroduction of free admission by the government in 2001, where visitor numbers have increased dramatically. The roles of the MAGs have evolved in serving the needs of the population through a social inclusion strategy. MAGs are now conceived as places of preserving the society’s cultural memory and scientific discoveries to enable people learn about history, arts, collections, specimens, and artefacts, among others.

MAGs help improve the financial wellbeing of the population. At a macro level, MAGs collaborate with the DCMS and tourism industries to promote the country in the international arena. This is consistent with the research of Zan et al. (2000), who suggest that one of the arts organisations’ contributions toward the country’s economy is through tourism activities. In the context of the UK economy, the UK national MAGs are among the top ten tourist and heritage attractions, and as such, they are key drivers of economic growth. As commented by one of the participants, a large number of the tourists are from overseas, who come to visit exhibitions, collections and purchase souvenirs from the gift shops. At a micro level, MAGs improve household income by creating employment opportunities, not only for work but also in the locality in which they operate. The opportunity to work within the MAGs also equips workers with the experience and skills required for career progression, and helps provide a sense of achievement. Staff training and development activities enable workers to gain knowledge. Knowledge, in Foucauldian terms, creates docility and helps the government better manage the population to keep them under control.

The purpose of the government is to promote the "good life of its citizens and to develop the moral nature of man through the application of scientific knowledge and

training” (Miller & O’Leary, 1987, p. 244). As suggested by Foucault (1972), knowledge can be transferred via formal and informal methods. MAGs informally enable the population to obtain knowledge through activities, exhibitions and participation, by supplementing and relating exhibits and activities to formal subjects taught in schools such as science, technology, engineering, mathematic (STEM), arts, geography, history and religion. These informal methods provide ‘training’ that enables participants to understand things easily, improve their skills, and thus make it easy for them to manage their skills. Through these informal methods, the population is being trained not only to understand the subjects from a different perspective and approach, but they are also being trained to comply with instructions when participating in specific activities –compliance and obedience in the sense of creating docility.

Johnson and Thomas (1998, p. 75) suggest that MAGs are “major repositories of a country’s stock of objects and specimens of educational and cultural value” that can be used for research purposes. The findings of this PhD thesis showed the involvement of museums in organising STEM projects to educate the population, including young children, women and minorities. For example, women are encouraged to participate in STEM projects because they were under-represented in STEM subjects. MAGs’ role as a centre for informal education and knowledge provides an avenue to young generations to participate, understand and learn different subjects to boost creativity and innovation.

As the government’s technology of governing the population, MAGs promote cultural integration and social inclusion among the population from diverse backgrounds. Selwood (2002, p. 67) conceives museums as “centres for social change and learning” which can help promote social inclusion and good conduct among members of the population. Furthermore, MAGs are directed by the UK government to deliver on KPIs, which cover the government’s agenda of promoting equality of opportunities, inclusion and integration. Similarly, Tlili, Gewirtz and Cribb (2007, p. 269) suggest that museums are “increasingly being expected to orient their work towards what can be described as social policy objectives, and work with and help ‘fix’ the problems of individuals, communities and the broader society around them”. The findings have suggested that cultural activities help visitors understand and appreciate the culture and history of Great Britain as well as other continents. The process of understanding cultural values is important in order to enable knowledge transfer for future generations “who cannot themselves express a market preference” (Johnson & Thomas, 1998, p. 76). As pointed out by the interviewees, the roles of the MAGs have changed primarily because they

receive government funding. Thus they are responsible for pursuing the government's policy objectives by using the funding to undertake activities for the benefit of the population.

The next section discusses how the government exercises power to monitor and control MAGs from a distance.

7.3 Discipline and power: Panopticon surveillance to condition behaviour (RQ2)

Panopticon surveillance is an idea which was introduced by Jeremy Bentham that allowed guards to monitor the activities of the inmates in prisons. In modern society, the implementation of a panopticon system does not require a large scale of 'physical observation' because sophisticated means are available to control the population, for example, through electronic or digital surveillance and accounting mechanisms which enable control at a distance (Foucault 2007; Hoskin & Macve 1986). Elements of *hierarchical observation*, *normalisation* and *examination* are techniques of disciplining that aim to make individuals docile by altering behaviour (Foucault, 1995). MAGs are displayed "and held in perpetual tension between observing and being observed" through mechanisms of surveillance (Macdonald, 2011, p. 24). Macdonald (2011) suggests that the policing and self-regulation are "part of a broader shift toward governmentality" and "how the state indirectly and at a distance induces and solicits appropriate attitudes and forms of conduct from its citizens" (*ibid*).

Tension arose as a result of the government's intervention, by seeking to influence management's decisions, although in the past, the government provided greater autonomy to the MAGs (Clarke, 1991; Weinstein, 1978). The government, knowingly or tacitly, interfered in these organisations' operations to accomplish its policy objectives. For example, during Prime Minister Margaret Thatcher's era, more trustees with business experience were appointed, and less consideration was given to appoint people with museum or cultural experience. Government's intervention may create conflict between trustees from the commercial sector and trustees with cultural experience who have different values.

Government's policy allows MAGs to undertake activities at arm's length and within the regulatory framework. An interviewee from DCMS confirmed that only in exceptional circumstances (e.g. if a museum or art gallery is on the brink of bankruptcy) will the government send a representative to meet senior managers of the MAGs to discuss issues or problems surrounding their governance, performance and activities.

7.3.1 Panopticon mechanisms: Hierarchical observation and normalizing judgement

Foucault's (1980) notion of disciplinary power involves using rules and regulations and administration tools to manage and control subordinates. This disciplinary power exists in all fields, including housing authorities, health services, schools (Miller & O'Leary, 1987), and MAGs. Empirical evidence in chapter 5 showed that the governance and activities of the MAGs are regulated by Acts of Parliament. Government departments, which consist of the DCMS, Charities Commissions and Registrar of Companies, act as elements of the panopticon that 'gaze' (through observation) and control the MAGs at a hierarchical level in different space and time settings. *Observation* enables the relevant government departments to share information about the MAGs (e.g. their activities and performance). This information enables the government to render MAGs calculable for good or bad behaviour and is used as a basis to penalise or reward them. From a Foucauldian perspective, penalties or rewards are mechanisms used to *normalize* the behaviour of the MAGs by, for example, close monitoring, consultations and meetings with senior managers or the provision of training to improve their performance. A reward can be actualized through giving awards, acknowledgement or financial incentives to motivate MAGs to perform better. The *normalizing* process in turn creates docility among the people within the MAGs because training creates knowledge and improves skills of subjects (i.e. subjects have to be knowledgeable and trained to obey). The *normalizing* process also promotes compliance and obedience because the feeling of being under constant *observation* makes people practise good conduct. Effectively, docility creates good conduct by leading MAGs and their trustees, managers and staff, to act according to norms and regularity to avoid penalty from the government.

A Memorandum of Understanding between the DCMS and the Charities Commission enabled both organisations to work together to coordinate their roles and policies in relation to MAGs. As a principal regulator, DCMS has the ultimate power to promote compliance, and may ask the Charities Commissions to investigate irregularities or wrongdoings in MAGs. If wrongdoings are found, MAGs may be punished through governance reform to correct their conduct (Foucault, 1995). The regulatory framework is a 'symbolic' disciplinary mechanism because a power relation does not necessarily require "physical enclosure or even human observers but can flexibly operate across time and space and through machines programmed to collect information in a certain way" (Ferlie et al., 2013, p. 38).

Non-compliance with rules and regulation would result in penalty (e.g. financial sanction, reputational or other means of punishment). The regulation may be conceived as a form of panopticon surveillance mechanism that creates awareness that the ‘subjects’ are being observed, hence rendering them to conduct and discipline themselves (Foucault, 1977). Within the MAGs, the idea of institutionalised surveillance creates the feeling of self-consciousness (Foucault, 1977) which makes them act and react according to norms, rules and regulations to avoid any punishment. This (re)action is internalised within individuals, e.g. members of the board of trustees, senior management and operational staff. The ultimate goal of the rules and regulations is to *normalize* or eliminate irregularities and create docile agents (Foucault, 1979).

In terms of the panopticon mechanism, the board of trustees ‘gazes’ the governance of the MAGs. *Observation* and scrutinisation by the board of trustees make senior managers docile (Foucault, 1991). The board of trustees also acts as a supervisor who listens, discusses, challenges, guides, advises, and makes strategic decisions for the organisations. Supervisory schema in the modern society is rather different from the traditional panoptic model; in the older model, the authoritative figure was situated in a central tower, whereas in the modern society, the supervisor can be anywhere but can still exercise its power and has strong influence and connection with the senior management team. The senior management team, who is supervised by the board of trustees, indirectly internalises the supervisor’s gaze to the extent that he/she supervises him/herself. This is done by, for example, reflecting on his/her own actions and performance. As revealed by the findings, meetings and brainstorming sessions between the board of trustees and the senior management team help develop good working relationships and result in ideas which create knowledge and enable trustees and managers to make informed decisions. Furthermore, the board of trustees were pro-active, inquisitive and could be approached when needed.

The board of trustees is directly accountable to the Parliament for its actions and decisions. Similarly, the ‘supervisor –supervisee’ relationship occurs at this level, where the government (i.e. the supervisor) monitors the action/conduct of the board of trustees (i.e. the supervisee) by, for example, calling them to account during meetings or via accounting mechanisms. The board of trustees itself is subject to *normalization*, that is, it can be penalised for misconduct or for making decisions on behalf of the MAGs that are not congruent with the government’s agenda. In this sense, the board of trustees can be conceived as a docile agent who tries to conduct itself properly because of the ‘calculated

gaze' effect – the feeling that the trustees are being constantly observed although they do not know whether they are actually being observed. Thus, from a Foucauldian perspective, the board of trustees can be conceived as a subject – one that oversees others (the senior managers) and takes action to make them docile and act accordingly. At the same time, the board of trustees can be conceived as an object – one that is being observed (by the government), and hence supervises him/herself to produce good conduct or self-discipline.

7.3.2 Accounting mechanisms: Knowledge and power through examination

From a Foucauldian perspective, two elements of panopticon surveillance which were discussed in the earlier section, a combination of *hierarchical observation* and *normalization judgement*, is culminated into a third element, *examination*. *Examination* makes visible through prior documentation, existing or future activities of an organisation, and enables the exercise of power. The techniques of *examination* may include observation, understanding, quantifying and analysing of documents to create knowledge about the activities of the MAGs. *Examination* can potentially lead into a *normalization process* to correct the perpetrator's actions, in ways of training, consultation, etc.

Walker (2012, p. 639) argues that “the collection and recording of diverse data in order to ‘know’ the pupil was achievable most efficiently through the deployment of accounting”. Accounting mechanisms are important instruments that enable the government to exercise power by ‘knowing’ the performance and activities of the MAGs. Accounting mechanisms help create understanding of the MAGs’ positions through the processes of examining, evaluating and quantifying accounting information, and enable the government to exercise its power by penalising or rewarding them. The processes of *observing*, *examining* and analysing financial and non-financial information make the MAGs’ activities and governance visible to the government, and hence render them calculable for their own performance (Dean, 2009; Rose, 1991). Accounting information can be conceived as a monitoring mechanism that can be used by the government, MAGs themselves and other interested parties to make informed decisions. For example, assessment of the MAGs’ financial strengths, expenditure, budget and profitability is conducted by observing and analysing their annual reports.

Foucault (1988, p. 16) states that information should not be considered as “knowledge at its face value, rather it should be analysed as specific ‘truth games’ related

to specific techniques” that can be used by the senior managers of the MAGs “to understand themselves”. The reporting of accounting mechanisms does not operate through a top-down hierarchy of control only, but also through various connections and networks between different levels of people within the MAGs. The connections comprise experts in the relevant field such as an accounts officer who prepares accounting information, an accounts manager (or accountant) who checks, corrects and verifies the accounting information, the finance director who validates, approves and signs the final accounts after obtaining further approval from the CEO, and the board of trustees who further scrutinises the accounts. The process goes on externally for auditing purposes, where auditors would provide their opinion as to whether the accounting information gives a true and fair view of the organisation, and that it has been prepared in accordance to relevant accounting standards and Acts of Parliament, such as the Museums and Galleries Act 1992. Finally, an audited account is produced, signed by the CEO and the chairman of the MAGs, and submitted to the government. In essence, this lengthy process resembles the modern form of the power/knowledge relation, because it allows the creation of knowledge and power through *observation*, *examination* and understanding of the information provided. The processes of *observation* and analysis provide knowledge to the government regarding the activities and financial condition of the MAGs, and hence enables it to exercise power over them. In this sense, bad financial performance can result in *normalization* of the MAGs to improve future performance.

Information provided by the MAGs can bring them to account for their actions and consequences. For example, the senior managers and trustees may be asked to account for over-spending, poor income generation or performing below target, if these occur regularly over a number of periods. They will be responsible for explaining to the government regarding any variances and would be required to undertake corrective actions to improve performance. MAGs are expected to provide the government and other stakeholders with information that is “intelligible, factually descriptive, transparent and relevant for the purposes they are intended to serve” (Carnegie & Wolnizer, 1996, p. 89-90). The reports are intended to provide a ‘snapshot’ picture of how these organisations perform (Townley, 2008) in addition to the key ideas of “self-regulation and open accountability for performance” (Ferlie et al., 2013, p. 42).

A governmentality perspective recognises financial and non-financial information as a technology that allows (self)supervision, (self)regulation and (self)government. Accounting enables the “disciplining of the individual through comparisons with group

norms” (Walker 2012, p.639). Bookkeeping and accounts involve the recording of details of the individual and organisation to permit determination of *normal* behaviour through totals, ratios and averages for the purpose of benchmarking and decision making. Accounting information was used as a panopticon surveillance to shape and transform behaviour of management and trustees, by making them act according to *norms*, because the government’s ‘gaze’ through accounting reports gives the impression that the senior managers are being constantly *observed*, although they do not know whether or not they are actually being observed. To avoid being penalised, the MAGs self-supervise and self-regulate by reflecting on their spending, or ensuring appropriate use of their money, keeping proper accounting records and perhaps penalising/normalising themselves by spending less in future periods to balance their accounts for over-spending in prior periods. This method of self-government, when internalised within individuals and organisations, can help develop self-discipline and future norms.

Moreover, accounting information in the form of KPIs was submitted to the DCMS on a regular basis to report on the MAGs’ actual performance to demonstrate accountability to government. Visitor numbers, philanthropic income and loaned items were quantified and translated into statistical information to enable the government to observe, examine, analyse and understand the fluctuation or the pattern of performance over a number of years. The statistical information provided a comparison of the overall performance of the organisations, drawing from the results over a number of periods (e.g. months or years). The result defines whether a performance target has been achieved or not, and hence enabled the government to decide whether the organisation should be *normalized* if the performance against the target was consistently bad.

MAGs’ performance was assessed through various means such as comparing the target against actual performance, benchmarking with other institutions from the section and evaluating trustees and staff’s performance. The practices of self-evaluating, comparing and benchmarking were intended to monitor and make corrective actions to improve their own performance and avoid potential penalties (Foucault, 1977). This practice eventually helps eliminate possible abnormalities by making an “effort to normalise and alter their identity” (Brivot & Gendron, 2011, p. 138) from abnormal into normal practices through certain practices and actions in order to achieve congruence with the government’s agenda. The attitude of making an improvement is subsequently being internalised and becoming a norm and practice among the individuals within the organisation (Foucault, 1995, 2010).

7.4 Governance mechanisms (RQ3)

7.4.1 New public management (NPM) model of governance

The governance of public sector organisations has become prominent and has gone through series of reforms. The NPM model of public sector governance was introduced to achieve efficiency, effectiveness, transparency and greater accountability by adopting private sector practices (Broadbent & Laughlin, 1997). This model focuses on performance, market testing and sub-contracting to improve profitability. Many public sector organisations, including those in the cultural sector such as MAGs, have adopted the model partly to monitor and control the executive's functions. However, as these organisations are public-facing and promote cultural values, this form of governance may not be appropriate as it has its own problems (Bennett, 1995). The case for NPM was made in light of the inefficiencies of the traditional public administration method of governance, the trend to 'hollow out the state' in the 1980s (Rhodes, 1994). Furthermore, the old public administration model was considered to be bureaucratic and less efficient and effective (Osborne, 2010; Osborne & McLaughlin, 2002).

The governance of MAGs is based on NPM, as evidenced by the appointment of trustees with commercial expertise and the increasing use of KPIs. Most of the members of the board of trustees are appointed by the government and have the statutory duties for the care and maintenance of collections. As the government's 'panoptic gaze', they are responsible for implementing governance structures, overseeing the affairs, and determining policies and strategies, and in the process, they have the opportunities to implement private sector ideologies by drawing from their commercial expertise. They are accountable to the Parliament for the conduct of the MAGs, and are responsible for ensuring that the organisation is run appropriately, efficiently and effectively. To enable effective and efficient governance, the findings suggested that the board members are selected from different expertise and experience so that they can engage in discussions and dialogues, and can provide informed decisions regarding the strategy of the organisations.

However, the fact that the government is involved in the appointment of trustees raises numerous concerns. The appointment process is bureaucratic in the sense that the government normally has the ultimate decision on who would be appointed, in addition to the time-consuming and lengthy process. Although the board of trustees has the power to make strategic decisions regarding the organisations' directions, their final decision may sometimes be influenced by the government, which creates tension. The government

makes them docile by establishing rules and regulations that they have to adhere to, although they may not agree with some of these regulations. For example, the government requires income received from other activities to be treated as public money although it technically belongs to the museums that raised it. Another method to get MAGs to act is through the use of threats to normalize their behaviour – for example, funding cuts if they were to close one of their branches. To cope with funding cuts, the MAGs have to reduce exhibitions, increase income from non-government sources and reduce the number of employees.

MAGs have to adhere to three main different Acts as public sector organisations, charities and trading (Charities Act, 2011; Companies Act, 2006; Museums and Galleries Act, 1992). This different regulatory environment creates difficulties and tensions for the management in making informed decisions because of the complex requirements and regulations that they have to adhere to. Consequently, this problem affects their activities and accountability objectives.

MAGs are made docile because they are required to report on their KPIs to the DCMS detailing the number of visitors, self-generated income and loaned items. However, these indicators serve little use to the organisations because they are generic across all national MAGs. The KPIs cannot cope with the uniqueness of the operations of MAGs and do not necessarily reflect their individual performance. The indicators may be perceived as ‘helping the government’ to observe the MAGs, rather than helping the latter to improve or make their actual activities visible and calculable to the public. The performance indicators may be more useful if they include measures that reflect the individual museums or art gallery’s specific activities. In addition to the generic KPIs required by the DCMS, the MAGs also provide a number of internal KPIs to reflect specific activities they undertake. These indicators are more realistic in helping to measure their own performance.

Quantitative performance measures do not capture the quality of the services provided by the individual MAGS, which raises questions relevant to public policy regarding their effectiveness as a performance management tool. Moreover, although the government used KPIs to monitor performance, evidence from the interview conversations indicates that they were symbolic and little feedback was provided to the individual MAGs regarding their performance (other than instances of extremely poor financial performance). The fact that DCMS determines the KPIs and uses it in a symbolic manner ironically adds to bureaucracy when NPM is expected to reduce bureaucracy. In

reality, the NPM model seems to make less improvement in its attempt to move away from the public administration model (Osborne, 2010). Inevitably, this process has led the MAGs to focus more on managerial and political accountability towards the government.

A network governance or partnership may offer a better alternative to eliminate bureaucracy through greater citizens' participation in public services (Barretta & Busco, 2011; Klijn & Koppenjan, 2000). Through this model, citizens' concerns may be better acknowledged because they are given an opportunity to engage in dialogue, debate and discussion. This model provides an avenue for self-government because the agents are able to improve their own performance from discussions, public dialogues, debates and networks. The agents are self-motivated and self-disciplined to improve their performance and achieve good governance. One of the characteristics of network governance is that it focuses on prioritising the population's needs. Therefore it may be more suitable to be adopted in a contemporary environment where social accountability can be prioritised.

Subsequent sections discuss the perceived effectiveness of KPIs, funding and independence of the MAGS, and power relations, tensions and challenges.

7.4.2 The perceived effectiveness of key performance indicators (KPIs)

Interviewees were keen to share their views regarding the KPIs provided by the DCMS and the internally generated KPIs. Overall, they agreed that KPIs are an 'assemblage' of a technology of governing (Foucault, 2007) that is oriented towards meeting efficiency expectations, but they argued that DCMS seemed to miss some important KPIs that are related to the MAGs' specific activities. Therefore, measuring generic KPIs across all national MAGs and making comparisons against each other is not a realistic approach. For example, regarding loaned items, the number of loan items conveys little information without understanding the KPI in its context – a small museum may loan a large quantity of small objects, whereas a large museum may loan a small quantity of large objects. Moreover, KPIs may have the dysfunctional consequence of creating competition between divisions, leading to organisational dis-integration (Tlili, 2014).

Little feedback regarding the organisations' reported KPIs has led them to believe that no action has taken place at the DCMS level to analyse the report and provide some suggestions to improve their performance. DCMS may lack the resources required to analyse the reported KPIs. Senior managers assumed that they have satisfactorily met

their performance targets. The senior managers and board of trustees were left to wonder whether it was worth spending time preparing reports that did not really reflect their specific activities, in addition to the fact that they did not receive any feedback from the DCMS. The process of preparing the reports was costly, time-consuming and diverted them away from other productive activities.

The senior managers and board of trustees expressed their ‘resistance silently’ through their comments on the effectiveness of quantifying performance. The KPIs did not capture qualitative aspects of performance such as visitor satisfaction and learning and research outcomes. Arguably, quantitative numbers and values serve little meaning, although an increase in visitor numbers may indicate that the MAGs have been able to attract more visitors by providing good services. The interviewees argued that KPIs do not effectively capture how visitor numbers improve personal life, to what extent the children’s visits inspire them to have good career path, or how the visit reflects on the future generations. The number of visits does not reflect quality as visitors may visit MAGs for numerous reasons, such as free entrance or visitors wanting to ‘kill time’. An emphasis on qualitative indicators such as cultural value, experiences, inspirations and motivations may suggest a new trend of evaluating a more meaningful performance of MAGs.

MAGs are also required by the DCMS to report on self-generated income as part of their KPIs. The government expects MAGs to increase income through other means, such as trading income, lottery, admission income from special exhibitions and philanthropic income. Generation of income from non-government sources can reduce reliance on government and increase financial independence, but may create other problems. One of the challenges with obtaining income from other sources is that it can be very difficult to successfully secure sponsorship from other institutions due to competition and the impact of the economic crisis which has affected all organisations.

One of the problems with having to meet a pre-set performance target is that it can lead to complacency where organisations may be inclined to ‘do just enough’, rather than to ‘do more or better’. In addition, the managers’ attitude of doing things that will only get measured can lead to an opportunity to window-dress information they intend to report to the DCMS.

7.4.3 Funding and independence of the MAGs

Reliance on government funding makes the organisations politically vulnerable and may affect their strategic planning, decision making and actions (Lindqvist, 2007). Funding received from the government is in the range of 26% (AG1) to 59% (M2) as a proportion of their total income. The findings showed that AG1 received the least value of government funding as a percentage of total income. AG1's largest proportion of income comes from its trading activities (29.7%). In contrast, the majority of M1's income comes from government funding (59% of its total income), whereas 21.6% of its income comes from trading activities (Refer Table 5.3 on page 117). The funding structure may indicate their independence and vulnerability. The organisations that receive a higher proportion of government funding are more likely to have greater dependence on government and be vulnerable to its demands.

The government imposes a condition that it will continue funding the MAGs as long as they maintain their policy of providing free access to the public to their collections and exhibitions. This condition was clearly stated in the settlement letter distributed to all UK national MAGs (DCMS, 2013), even though they are legally permitted to charge for admission under the Museums and Galleries Admission Charges Act (1974) (Bailey & Falconer, 1998). Although MAGs strove to provide visitors with free access to their collections, the continuous funding cut and budget restrictions put them in a dilemma. The main argument from the board of trustees and senior managers was that, if the government continues to restrict its funding allocation, then it will be difficult for the organisations to survive because of high maintenance and fixed costs that they have to cover. In addition, they may have to curtail some interesting activities that have been undertaken, which consequently, may affect visitors' satisfaction.

To compensate for the funding cut, the government has granted a package called 'financial and operational freedom' to the MAGs. This means that they have the flexibility to spend money in ways that meet their needs. However, in reality, their ability to spend money is still restricted to the amount they actually raise, which means they have to prioritise their money on core expenses. Moreover, the DCMS requires them to report on all their income and spending. This ironically defeats the financial and operational freedom package offered by the government. Moreover, the fact that government funding covers only part of their fixed costs such as salary and utility bills reduces financial freedom.

MAGs have to obtain sponsorship from other institutions such as the Wellcome Trust, the Leverhulme Trust, BP and other institutions (including private donors) to undertake activities such as learning and outreach, research and research programmes. There are a few challenges of relying on sponsorship from these institutions; firstly, the income is not stable, in the sense that they may only provide a one-off sponsorship. Understandably, their willingness to sponsor the MAGs may be as a result of their social and ethical accountability, philanthropy, and generosity but these donations are voluntary and unreliable. Secondly, competition among the MAGs means that only a few of them may be successful in attracting a sponsor or obtaining funding. The global financial crisis of 2007-2015 has reduced sponsorship from institutions and private donors, whilst in the past, donations and sponsorships were easier to secure.

To attract more donations, the HM Revenue & Customs (HMRC) has introduced a tax incentive programme that encourages individual donors to donate their arts and artefact collections to the nation, by using the MAGs as a proxy. Under this programme, donors will receive a tax deduction of 25% of the value of their gifts. The HM Revenue & Customs has also increased the tax limit from £20m to £30m for any donation made under an Acceptance in Lieu scheme. The Acceptance in Lieu scheme allows people to offer items of cultural and historical importance to the State in full or part payment of their inheritance tax, capital transfer tax or estate duty. The government's policy with regards to this tax incentive programme has created some resistance from the MAGs because the museums would want to have ownership of the objects to avoid bureaucracy and any costs associated with maintaining the objects which do not belong to them but to the nation.

Financial independence from the government raises these interesting questions: What will be the implications for MAGs if the government funding is completely withdrawn? Will MAGs be able to sustain themselves in the long-term? Will they be given full autonomy in their governance and in undertaking activities? Will financial independence shift their accountability from the government to their new funders? Understandably, their accountability obligation is now more towards the government because of the funding they receive. However, they are looking for alternative ways to improve their financial condition, such as paid exhibitions, public donation and trading.

Moreover, what would be the implication of reintroducing the admission charge? Other than a significant reduction in visitor numbers, the MAGs may become places of interest for certain groups of the population only, who are willing and can afford to pay

for their visit. One potential benefit of charging admission fees is that it increases income, which can be used to improve the quality and level of services. By charging admission fees, the MAGs are able to identify the 'actual' number of visitors who place real interest in the collections and exhibitions based on their willingness to pay. Moreover, a free admission charge may only encourage people who come in to linger around without a real purpose. However, a shift from focussing on free admission, which reflects their social accountability into paid entrance, indicated the change in their governance into 'privatisation', which effectively has defeated their original purpose of providing cultural and societal value to the nation.

The Museums and Galleries Admission Charges Act (1974) allowed MAGs to introduce charges when they deemed necessary, and the board of trustees were given the power in doing so (Falconer & Blair, 2003). This Act has not been repealed, but upon consultation with the national MAGs, both the government and the board of trustees have agreed to abolish the charges (House of Commons, 1974). The government's current policy and the preceding Act seem to be in conflict with each other, which may raise a question as to which one should prevail and be followed by MAGs. The governance and accountability implications of re-introducing admission charges under the Museums and Galleries Admission Charges Act (1974) is an important issue that requires empirical investigation in future research.

7.5 Tensions, challenges and power relations (RQ4)

Foucault perceives power and resistance as two coextensive processes: where there is power, there is always resistance, and vice versa (Foucault, 1997b). Power and resistance create change or transformation. A study by Lindqvist (2007) revealed that politicians in power have an interest in arts organisations and influence their governance. In the context of UK MAGs, the findings of this PhD research show that the exercise of power over MAGS by the government creates both overt and silent resistance when expectations of government conflict with those of senior managers and trustees. For example, the MAGs are instructed to do things that they do not wish to, or are not allowed to do things that they wish to – in a Foucauldian sense, this situation creates silent tension or resistance (Foucault, 1997b).

The exercise of power may create tension between those who have power and those who are being subdued, and may lead to revolution. Neu (2000a, 2000b) claims that accounting and calculation are technologies used to colonise people and may result in a

genocidal outcome. KPIs, for example, are generally used to focus on controlling the senior managers' actions, rather than serve as facilitator to reflect the objectives and strategic aspirations and meet the performance targets (Jordan & Messner, 2012). Government uses these indicators to monitor and control the organisations from a distance (Preston, 2006; Robson, 1992). However, tension may arise among the managers and top management because managers who wish to use performance indicators as a means to facilitate them doing tasks on their own accord may feel that they are being coerced by the top management through the systems of oversight and control.

As shown in the empirical evidence, government's policy in getting involved in the board of trustees' appointment has been debated by the trustees and senior management of the organisations. The findings showed that interviewees conceived the appointment process as a politically motivated game by the government in power. For example, the fact that the government has the ultimate power to extend the board member's term motivates the board of trustees to bend to the whims of government. A new government may create problems by removing an existing trustee who is involved in an on-going project, because the new trustee appointed by the government may have different expertise and values.

One of the challenges that the MAGs face is regarding their ability to maintain financial capability to continue to deliver good services to the public. The current financial crisis has forced the government to tighten its budget and propose to reduce its cost. This strategy may impact MAGs as some of them are heavily reliant on government funding. The proposal to cut capital funding allocation which contributes to delays in capital projects exacerbates existing challenge that these organisations have to cope with, in their objective to offer better services to the public (House of Commons, 2013). Reduction in funding allocation may also impact major costs such as costs related to maintenance of collections, and other fixed and variable costs. National MAGs generate self-income through trading, special exhibitions and corporate sponsors. This source of income cannot support major planned projects due its low value and volatility. Free admission, which came into effect in 2001, has boosted the number of visitors. However, further reduction in government financial support makes it difficult for these organisations to maintain their costs and good services (Falconer & Blair, 2003; House of Commons, 2002b).

MAGs contribute to society by acting as a centre for leisure, creating international networks, attracting tourism, educating the population, fostering creativity and

innovation, contributing to the leisure and happiness, and, creating wealth and employment opportunities (see Museums and Art Galleries Act 1992; Gray, 2011). They are socially accountable to the general public and local community for the services they provide and play an important role in regenerating the locality and economy, strengthening ties, and achieving social inclusion objectives of the government. Paradoxically, pressures on MAGs to comply with laws and regulations may lead to the diversion of resources (e.g. time, money and effort) away from meeting the needs of the population. That is, over-regulation may emphasise upward political accountability to regulators and government, to the detriment of performance accountability to the population.

7.6 Conclusion

This chapter has discussed and analysed the findings presented in chapters 5 and 6. The discussion and analysis has adopted the elements of *hierarchical observation*, *normalization* and *examination* from the panopticon surveillance lens to understand the power relations in the context of these organisations, by relating them with the findings in chapters 5 and 6.

Governments govern the population by influencing the roles of MAGs. As the government's governing tool, MAGs play important roles in helping it to achieve the aspirations of improving the wellbeing of the population. However, MAGs are subject to government's panopticon control mechanisms. Whilst panopticon control mechanisms and actual government intervention creates docility, they also result in tensions because they constrain behaviour of trustees and senior managers who may have other agendas.

Financial independence from government may reduce the panoptic gaze. However, finding alternative sources of income may result in unintended consequences. For example, commercial profit making activities and paid exhibits may reduce visitor experience and satisfaction and are against the cultural and social values of MAGs.

The next chapter concludes this thesis, identifies some of the limitations of this PhD research, provides directions for future research and discusses policy implications.

CHAPTER 8

Summary of the thesis chapters, summary of the main findings and contributions, limitations and directions for future research, and implications for policy

8.1 Introduction

This PhD thesis has examined the governance of UK national MAGs by focusing on the mechanisms used by the government to monitor their behaviour and the internal practices and processes (self-government) of the MAGs in achieving accountability objectives. As introduced in chapter 1, the main objective was to answer the following research questions: (1) What purposes do UK national MAGs serve in modern society? (2) How are the UK national MAGs controlled by the government and why are they so controlled? (3) How do the UK national MAGs govern themselves to discharge their accountability? (4) What key governance challenges and tensions do UK national MAGs face?

The study has developed a theoretical framework to understand the governance of the UK national MAGs, by drawing on Foucault's work on governmentality and the public sector governance literature. Governmentality refers to 'the art of governing' which focuses on 'how to govern' 'who governs and by whom'. The study adopted the panopticon elements of *hierarchical observation*, *normalization judgement* and *examination* to critically examine power/knowledge relations within the governance of these organisations. The preceding conceptual themes provided an understanding of the government's control mechanisms and the MAGs' internal governance processes: regulatory framework, appointment and roles of the board of trustees and accounting mechanisms.

Empirical data came from both primary and secondary sources. Primary data was collected through interviews with government officials, and trustees, senior managers and sponsors of MAGs. Secondary data came from analysis of annual reports, government documents and press releases.

This chapter summarises the preceding chapters, summarises the main findings in relation to the research questions and draws some conclusions, highlights the limitations of this research, provides directions for future research, and discusses implications for policy and practice.

8.2 Summary of the thesis chapters

Chapter 1 introduced the thesis and explained the motivations, research questions, and contributions of the thesis. Whilst prior studies have examined MAGs in other countries and contexts, the roles of national MAGs and their governance in the UK context are not well-understood. Whilst a number of studies have used a Foucauldian framework to analyse governance and accountability in different empirical settings and a study of UK museums conducted by Bennett (1995) was published in a book two decades ago, no study has used the concept of panopticon and its three constructs of *hierarchical observation, normalisation judgement* and *examination* to examine the governance of UK national MAGs. MAGs are used by governments to control the population, and to *observe, examine* and *normalize* their behaviour to implement public policy agenda. The findings and conclusions are based on an extensive number of interviews and analysis of documents from multiple reliable sources.

Chapter 2 provided a review of the literature to inform the research questions. The chapter clarified the murky and multifaceted concepts of governance and accountability which have multiple meanings and forms (Sinclair, 1995; Solomon, 2010). The chapter discussed the models of public sector governance and their ideology, i.e. public administration, new public management and network or partnership governance. The chapter distinguished between private sector governance and public sector governance, and reviewed the literature discussing the governance of MAGs in general. A framework for understanding the governance and accountability of UK national MAGs was then developed (Figure 2.1).

Chapter 3 clarified the concepts of government and governmentality by drawing from prior literature. It discussed the genealogy of governmentality, by focusing on Foucault's prior works entitled *Archaeology of Knowledge* (1969) and *Discipline and Punish: The Birth of Prison* (1975). The power/knowledge relationship and panopticon lens comprising of *hierarchical observation, normalization judgement* and *examination* were discussed to critically examine the power/knowledge relation in conditioning the behaviour of the agent. The chapter then discussed how Foucault's work has been used in prior accounting research. A Foucauldian governmentality framework (comprising of power/knowledge relationships and panopticon) was developed to understand the governance of UK national MAGs.

Chapter 4 discussed the research methodology and methods adopted in this study. The chapter briefly discussed the three main research paradigms (i.e. positivist,

constructive and critical) and their ontology, epistemology and methods. The critical paradigm was adopted because of its relative strength in understanding the interplay between structure and agency, and power relationships. The chapter then discussed the research methods employed in this study and justification for using them (i.e. semi-structured interviews and analysis of documents). Validity and reliability issues when collecting empirical data were discussed.

Chapter 5 answered the first two research questions: (1) What purposes do UK national MAGs serve in modern society? and, (2) How are the UK national MAGs controlled by the government and why are they so controlled? It discussed the government's aspirations to improve the wellbeing of the population. The chapter then discussed the roles of UK national MAGs in helping the government achieve its aspirations. The second research question was answered by discussing the control mechanisms used by the government to control the MAGs (i.e. panopticon elements comprising *hierarchical observations*, *normalizing judgement* and *examination*). Three key themes were discussed: regulatory framework, appointment of the board of trustees and accounting mechanisms.

Chapter 6 answered the remaining two research questions: (3) How do the UK national MAGs govern themselves to discharge their accountability? and, (4) What key governance challenges and tensions do UK national MAGs face? It further extended the discussion of disciplinary power by examining the MAGs themselves, perceptions of roles of regulation, appointment of trustees and accounting mechanisms. The chapter discussed how the MAGs discharge their multiple accountabilities to the government, non-government sponsors, and themselves, as docile agents. Finally, the chapter examined the challenges and tensions faced by MAGs.

Chapter 7 provided a discussion and analysis of the findings by adopting Foucault's conceptions of power/knowledge and panopticon surveillance. The chapter discussed the conventional and new roles and argues that the changing roles were because of government's aspirations to use MAGs to govern the population. In this respect, the government has adopted a range of disciplinary mechanisms to *observe*, *examine* and *normalize* behaviour of MAGs. The role of accounting to create knowledge and exercise power was discussed. It was argued that the disciplinary mechanisms were used by MAGs to govern themselves in addition to discharging their external accountability. The chapter then argued that the exercise of power over MAGS by the government creates both overt

and silent resistance when expectations of government conflict with those of senior managers and trustees.

Chapter 8 concludes the thesis by summarising the thesis, summarising the main findings and providing some conclusions, discussing the limitations, and providing directions for future research.

8.3 Summary of main findings and contributions

The findings of this thesis can be summarised as follows:

8.3.1 What purposes do UK national MAGs serve in modern society?

The findings revealed that the roles of UK national MAGs have changed. In the past, these organisations served a relatively small elite class of people who placed interests in arts, culture, heritage and exhibitions. Empirical evidence showed that the roles of the MAGs have significantly changed in the contemporary environment. In addition to their traditional roles in modern society, MAGs improve the wellbeing of the population by: providing spaces for informal education and learning; creating employment and improving finances and the tax base; creating bonds and social cohesion/integration; and providing leisure activities. The MAGs have become one of the country's economic drivers by stimulating tourism activities and creating employment opportunities for the local people. MAGs contribute towards education, learning and research through partnership with other higher institutions and engagement with schools. MAGs also provide space for social inclusion activities to encourage people from different ethnicities to bond and enjoy leisure activities. MAGs provide space for preservation of cultural objects and collections for future generations. In short, MAGs are the government's technology of governing the population. The findings revealed that the roles of MAGs have changed primarily because the MAGs are funded by the government, and they are used as tools to implement public policy. In return for the funding, they are accountable to the government by undertaking activities that are in congruence with the government's policy objectives.

8.3.2 How are the UK national MAGs controlled by the government and why are they so controlled?

Empirical findings from the research have revealed that the government controls the governance of these organisations from a distance through its regulatory framework, appointment of the board of trustees and accounting mechanisms. MAGs are regulated

by different Acts of Parliament, e.g. the Museums and Galleries Act 1992, to govern their activities as NDPB, the Charities Act 2011 to govern their charity activities and the Companies Act 2006 to govern their trading activities. The regulatory framework acts as the government's control mechanism to make the trustees and senior managers docile, whereas the MAGs use the Acts as guides to supervise and discipline themselves.

The findings also revealed that the board of trustees is appointed by the government through the Prime Minister's Office. Its role can be perceived as an *observer* on behalf of the government because it oversees the governance and activities of the organisations, and has direct contact with the government. As a 'supervisor' for the senior managers of the MAGs, the board of trustees provides advice, challenges, approves and ultimately makes strategic decisions on the MAGs' internal governance and activities. From a Foucauldian perspective, these approaches can be conceived as *normalizing* process to induce the senior managers to act according to the whims of the government. The board is thus directly accountable to the government for decisions made or activities carried out by MAGs.

Accounting mechanisms enable MAGs to discharge their accountability. They are required to report on KPIs to the government, and prepare strategic plans and annual reports. Accounting mechanisms enable the government to exert power over MAGs by *observing* and *examining* their activities, and form the basis for passing judgement to *normalize/condition* the behaviour. Accounting mechanisms are governing tools which enable the panopticon to function. The panopticon creates self-discipline because of the impression that they are being constantly watched. The regulatory framework, the board of trustees and accounting mechanisms are the 'gaze' that makes MAGs visible to the government.

A novel contribution of this study is its examination of how governance mechanisms and the panoptic gaze operate in more subtle ways to 'order about' and 'make docile' trustees, management and staff who are highly educated and self-reflective individuals. These individuals 'know' how they are being controlled, governed and rendered calculable, but can resist only silently whilst the governance mechanisms are rendering them compliant. The findings show that governmentality is not just something that impacts on the population in general, but also works on the 'lower orders' in organisations and potentially all echelons of society.

8.3.3 How do the UK national MAGs govern themselves to discharge their accountability?

The findings for this question revealed that as NDPB, MAGs have to account to multiple stakeholders: the government (main funder), non-government sponsors (corporations, universities and trusts) and private donors, employees and the public. The government is the main principal because it funds MAGs. MAGs also have financial accountability towards their non-government sponsors although their relationship is mainly governed by contractual agreement. Private/individual donors make donations for various reasons, including morality, ethics and philanthropy. However, these donations fluctuate and as such cannot be relied on for survival. The relationship between MAGs and commercial sponsors is governed through strict contractual agreements, whilst the relationship between MAGs and non-commercial sponsors is governed through less strict contractual agreements and is based on trust. Internal accountability towards the employees is manifested through taking care of their welfare and personal development. Interviewees stated that accountability to the population is manifested through the accountability to government.

The findings revealed that government's interference in their governance affects their governance and accountability towards the population. The government interferes into the governance affair of the MAGS through its power of appointing members of boards of trustees who are sympathetic to the government's agenda, changing MAGs' strategic plans, e.g. rejection of the plan to close the museum, and implementing specific rules or procedures in the procurement process. Moreover, the NPM approach of governing the MAGs was perceived to be bureaucratic. Government's interference in the activities of MAGs was perceived to be counter-productive.

8.3.4 What key governance challenges and tensions do UK national MAGs face?

The ways in which MAGs are governed has led to tensions and challenges. The main challenges were how to raise funds to become financially independent and how to manage the accountability expectations of stakeholders. Austerity has led to funding cuts and has forced MAGS to 'do more or the same activities with less funding'. For example, they have introduced more paid exhibitions, encouraged people to donate, increased campaigns to get sponsors, and reduced some of their free services. Tensions arose because the government interfered in some of their activities or strategic decisions, in addition to the difficulty of financing their costs.

Financial independence may compound tensions by creating conflicting accountabilities to main funders. For example, if the government is no longer the main funder of MAGs, then senior managers and trustees would want to have the freedom to pursue their own agenda which may conflict with the government's agenda. Moreover, NPM values may not be appropriate in the context of MAGs which value culture, heritage and social cohesion.

8.3.5 Overview of the main contributions of this study

This research study makes contributions to knowledge and understanding in a number of important areas:

- *Expanding the literature:* This study contributes to the general NPM literature and the more specific literature examining the governance and accountability of art organisations, particularly in the context of the UK national MAGs. The extant accounting literature is dominated by studies of MAGs in countries other than the UK. Therefore, this study adds to the existing stock of knowledge by discussing alternative types of governance structure and accountability practices in the context of the UK national MAGs.
- *Extending theory:* This study draws on Foucault's work on governmentality to develop a theoretical framework within which it is possible to understand more clearly the governance of UK national MAGs. More specifically, three main constructs contributing to the overarching Foucauldian notion of the panopticon – *hierarchical observation, normalization judgement* and *examination* – were used to critically investigate the power relations between the government and the senior managers and the boards of trustees of the MAGs. The panopticon and its constructs provide theoretical framing for how the 'panoptic gaze' acts at a distance and creates docility among the subjects. Although these subjects (senior managers and trustees) are highly self-reflective and well-educated, and are aware that they are being controlled, they can resist only silently.
- *Policy and practice:* This study sheds a light on how the austerity measure introduced by the government has affected the governance and activities of the UK national MAGs. Continued funding cuts have forced the national MAGs to find alternative solutions to remain sustainable, for example by increasing the number of paid exhibitions, investing in other business opportunities and intensive marketing

campaign to attract more sponsorship. In terms of practice, the study casts a light on the governance and public accountability of the UK national MAGs and how they use public funds, and the complex external forces which influence their governance practices. This study unveils how tension and resistance arise because the activities of senior managers and the boards of trustees seem to be driven by the government's agenda.

8.4 Limitations

As with all other studies, this research has its own limitations. Some of these may be addressed in future empirical research.

The first limitation stems from 'theory choice'. Broadbent (2002, p.447) states that "clearly theory choice is personal and there are other approaches that could be chosen" to conduct a research, whilst Lowe (2004, p.279) states that "as a constructionist I find myself on the 'anything goes' end of methodology choice". Whilst Foucault's governmentality framework was chosen based on its strength in analysing governance and accountability issues, alternative theories (e.g. Bourdieu's *The Logic of Practice* (Bourdieu et al., 1990) or Callon and Latour's Actor Network Theory (Latour, 1996) or Institutional Theory (DiMaggio & Powell, 1983)) could have been adopted. Foucault's notion of governmentality, which deals with the knowledge and know-how of governing, is a powerful conceptual tool to analyse the notion of disciplinary power and power/knowledge relationships and how disciplinary power is used to govern institutions.

The second limitation stems from the 'scope'. The scope of this study was limited to examining how the government governed MAGs (i.e. through what *means* to achieve what *ends*) and the internal governance of MAGs. Interviews were therefore conducted to examine the views of those directly involved with the governance process, i.e. government officials, trustees, senior managers, and sponsors. These were supplemented by data collected from secondary sources. A number of respondents could have been interviewed. For example, studies focussing on visitor satisfaction have interviewed or surveyed visitors (McPherson, 2006).

The third limitation stems from the 'context'. The scope of this study was limited to understanding the governance and accountability of UK national MAGs, which have a different funding structure from 'regional' MAGs and MAGs located in other countries. For example, DCMS does not directly fund 'regional' MAGs but funds them indirectly

through the Art Council of England. Moreover, the bulk of the funding of UK MAGs comes from the government, whereas in other countries they may be funded from paid admission by visitors. This study is based on three national museums and three national art galleries located in London, and as such, care should be taken when generalising the findings to other countries or context.

8.5 Directions for future research

The limitations discussed in the preceding section provide pointers for future research.

In terms of other theoretical approaches, Bourdieu's notion of *field*, *habitus* and *capital* could be used to investigate the *field* of MAGs and the *habitus* of the interviewees (e.g. trustees, and senior managers) when examining governance and accountability issues (Bourdieu, 1990, 2005; Cooper & Joyce, 2013). Researchers focusing on the concept of governance could for example, use Actor Network Theory to investigate how the concept of governance is constructed as an object in social networks by following the human and non-human actors in practice (Latour, 1987, 1996). Institutional theory would help provide insights on the how external and internal forces influence the organisational and governance practices (DiMaggio & Powell, 1983). These theories would provide complementary insights into Foucault's governmentality framework.

Future studies may examine other issues related to governance and accountability in UK MAGs, such as user satisfaction, the implications of introducing paid admission, and accounting for heritage assets. Depending on the nature of the study, research methods may include interviews, secondary data analysis and/or surveys. Surveys of visitors may be conducted to obtain feedback regarding the quality of services provided, the level of satisfaction and likelihood of repeat visits. The impact of educational activities may be assessed over a longer term, e.g. to what extent do visits to MAGs enable children to excel in education and influence children's choice of STEM subjects? How will MAGs influence children in their careers?

This study may be replicated in other context for the purpose of comparison. For example, the findings of this study examining the governance and accountability of UK national MAGs may be compared with the governance and accountability of national MAGs in other countries.

The elements of panopticon used in this study, comprising of *hierarchical observation*, *normalization* and *examination* (Walker, 2010) may be used in other empirical settings. The framework would require refinements to suit the research

objectives and context. The conception of power/knowledge may help inform how knowledge and technologies of governing are used to exert power and make agents docile in other empirical settings.

8.6 Implications for policy and practice

The main implication of recent government policy is that, the austerity measure which was introduced by the government seems to reduce the national MAGs' cultural and societal values. The findings show that the government's funding cuts have inevitably forced these organisations to undertake other strategies in order to sustain their operation. Money making activities, such as increasing the number of paid exhibitions (although continuing to provide free admission to the permanent displays) and investing in other business opportunities, create the perception that the MAGs have moved much further towards commercialisation, and have shied away from their original cultural and societal values. This strategy creates doubt as to whether their mission and objective of providing the population's needs are being actualised. Furthermore, the introduction of more paid exhibits encourages only a smaller group of people to visit the MAGs, thus defeating the government's objective of attracting more visitors.

The implications of funding cuts leading to downsizing and loss of expertise, and the generation of funding from paid specialist exhibitions, need to be carefully thought through. Staff working in MAGs have developed relevant expertise to cope with the uniqueness of the operations of individual MAGs. Improper management and staff recruitment and retention policies may lead to poor value for money when expertise within the MAGs is restricted. Moreover, MAGs have special exhibitions where they charge although general admission is free. Forcing MAGs to generate funding may result in a situation where most of the collections are shown in special exhibitions requiring paid entry, leaving the free admission to cover fewer exhibits for non-paying visitors.

The policy of making MAGs financially independent would have implications for their accountability. However, the question of whether the government wants to keep MAGs under public sector or private sector control is an ideological one., Furthermore, pressures on MAGs to answer to the government through bureaucratic governance processes may divert resources from their core activities to non-value added activities. For example, over-regulation may emphasise upward political accountability to regulators and government, and downplay accountability to the population.

The interviewees pointed out that the MAGs should have the power to hire and fire trustees, in line with their specific objectives. The interviewees argued that they are in a better position to normalise behaviour by making decisions on appointment and extension of contracts of the relevant trustees.

This study questions the role of the generic KPIs, which were perceived to be not acted upon by government but used in a symbolic manner to make MAGs act from a distance. The government should tailor its KPIs to reflect the uniqueness of individual MAGs and their activities. However, the DCMS may not have the resources to carry out such an initiative. This general issue of the availability of resources is likely to affect the future working of MAG governance in the UK. Increasing commercialisation is likely to provide a continued stimulus for silent resistance from more established managers, but this may be increasingly unsustainable as existing trustees are often replaced by new trustees from corporate rather than cultural backgrounds.

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Appendix 1: Invitation letter to participate in interview



Dear Sir/Madam,

Invitation for PhD research participation

My name is Aminah Abdullah, PhD student from School of Management, Royal Holloway University of London. My PhD research examines the governance of national museums and art galleries in the UK.

In order to provide insightful input to my research, I would like to invite you to participate, to discuss some issues I have tentatively identified in the attached interview guide. The discussion is expected to last for about an hour. I understand that not all of these issues may be relevant to you. Therefore, at the end of our discussion I shall be grateful if you could please direct me to the relevant person in your organisation who would be in a position to discuss the remaining issues further.

As a researcher, I am required to adhere to ethical guidelines when conducting research. In this respect, I would like to assure you that all the information provided will be kept strictly confidential. No individual or organisation would be named in my final report. The names of the museums and art galleries studied would be anonymised. For note-taking purpose, I shall request participants' consent to conduct the interview and record the communication via electronic digital recorders or simply through notes, if recording is not permitted.

In return for your support, I intend to provide you with a copy of my research report. Your contribution is vital to the success of this study and would be greatly appreciated.

Finally, thank you for taking the time to consider my request and I look forward to hearing from you.

Yours sincerely,

Aminah Abdullah
PhD Candidate
Royal Holloway, University of London

Appendix 2: Interview questionnaire used to guide interviews

General questions:

- What is your role and how long have you been in this organisation?
- What roles do museums and art galleries (MAGs) serve in our modern society? Why do they exist?
- Have the roles of MAGs changed over the years? If so, how? Why?
- Do MAGs serve any political/government agenda? Explain what agenda they may serve?

Main theme 1: How and by whom are museums and art galleries (MAGs) governed? (Stakeholders)

- 1.1 What do you understand by the terms (1) governance, and (2) accountability? Please provide some examples from your perspective.
- 1.2 Discuss whether the ways in which MAGs are governed affect their accountability to their stakeholders? Which stakeholder group is the most important one to your organisation? Why?
- 1.3 How is your organisation governed externally?
 - 1.3.1 Who and how, if any are the external stakeholders involved in governing your organisation's activities? Why? What are their interests in your organisation? How does your organisation account to their interests?
 - 1.3.2 Please explain briefly how, if any, other stakeholders (collaborators, private/corporate funders and community) influence the way your organisation is governed.
 - 1.3.3 Which stakeholder group(s) your organisation work closely with, and why is it important to work with them? Would you advise me to specifically talk to someone in one of these groups regarding accountability and governance issues?
- 1.4 How is your organisation governed internally?
 - 1.4.1 What issues do the board members and senior management discuss and prioritise? Why?
 - 1.4.2 What governance systems and processes you have internally to achieve the mission and objectives of your organisation? E.g. Rules and regulations, monitoring mechanisms etc.
 - 1.4.3 How do the board discharge their accountability? Please provide examples, e.g. of the things they do and mechanisms they use.
 - 1.4.4 What visuals/pictures your organisation use in its annual report and why? What information these visuals and the annual report convey?

Main theme 2: To what ends are MAGs governed? (mission and objectives)

- 2.1 How are your organisation's vision and objectives determined and derived? Who involved and please explain the processes. (E.g. Management, Board of Trustees, external stakeholders)
- 2.2 How are the interests of your stakeholders reflected in the objectives of your organisation? Which stakeholder's interest, and why are their interests more prominent than other groups (if any)?
- 2.3 How does the way your organisation is governed impact its wider cultural and public consciousness? Please explain some examples and why?
- 2.4 Is the governance of your organisation is driven more towards achieving the government's objectives/agenda (e.g. Social inclusion)? If so, what is the impact towards achieving your own mission and objectives?

Main theme 3: How are performance managed?

3.1 How is the performance of your organisation measured, monitored and evaluated? Please explain.

3.2 How effective are these performance measures in terms of helping your organisation achieve its mission and objectives? Why, and why not?

3.3 How do you determine key performance measures, and how you come up with a realistic level of performance for each of your key performance areas (e.g. in the funding agreement or determined by management or in your vision and objectives)?

3.4 Are the performance measures in the funding agreement relevant to your organisation's vision and objectives? What key performance indicators you would like to report on? Why?

3.5 Do these performance measures focus on measuring economy (i.e. costs), efficiency (outputs and inputs relationships) and/or effectiveness (i.e. outcomes)? Explain your view.

3.6 What happens if your organisation exceeds or does not meet its external (e.g. determined by government) or internal performance measures (e.g. additional/optional performance measures determined by senior management)? E.g. consequences in terms of reward and punishment.

3.7 What feedback loops are there to facilitate learning from experience or change in objectives, strategies and behaviour (e.g. in case performance is excellent or unsatisfactory)?

3.8 Do the generic KPIs take account of the differences in activities across the MAGs? Why or why not? What area or target market you share, if any?

3.9 What activities you do that are not being captured in the generic KPIs or by the DCMS?

3.10 What activities, if any, you would like to do, but are not currently doing at all or enough of because of restrictions from the DCMS performance management and control system?

3.11 How can the DCMS provide flexibility to MAGs, and still hold them account for the use of public funds?

3.12 Would your organisation have the flexibility to implement its own performance management tool (e.g. the balanced scorecard or performance pyramid etc.) to meet its own specific objectives or implement its strategies? E.g. does it have its own specific performance management system? If not, how would it go about implementing this performance management tool? E.g. process, approval, teams, stakeholder involvement etc.

Main theme 4: What key public governance challenges do MAGs face, and how their governance can be improved?

4.1 What challenges are faced by your organisation? Can these challenges be overcome, if at all? – financial or non-financial challenges

E.g. Discuss challenges arising the funding structure and the resulting influence on activities (government, corporate, self-funding)

Discuss challenges arising from the need to meet the often conflicting expectations of stakeholders.

Discuss things your organisation would do differently if provided the flexibility.

4.2 To what extent is the system used to govern MAGs helpful to senior management in their decision making? Please explain.

Additional information:

I shall be grateful if you could please provide me with any additional information you think would be helpful for my PhD research e.g. corporate documents, plans, performance management reports etc.

Would you please recommend me knowledgeable officials who would be able to enlighten some of the issues I have discussed with you in this interview guide?

Appendix 3: Consent letter



SCHOOL OF MANAGEMENT

Research Title: The governance of UK national museums and art galleries: Implications for accountability

Researcher's Name: Aminah Binti Abdullah

Address: School of Management, Royal Holloway University of London, Egham Hill, Egham, Surrey TW20 0EX

Please indicate:

I have read the information sheet about this study. (YES/NO)

I have had the opportunity to ask questions. (YES/NO)

I have received satisfactory answers to any questions. (YES/NO)

I understand that I am free to withdraw from the study at any time, without giving a reason.

(YES/NO)

I agree to participate in this study. (YES/NO)

Signed.....

Name

Date