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MISS LILIAN M. DEIGNAN
THE FIRST B. COMM. GRADUATE FROM UNIVERSITY COLLEGE DUBLIN

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ABSTRACT

The late Mrs Lilian Mary Buckley (*née* Deignan) has the distinction of being the first individual to graduate with a B. Comm. degree from University College Dublin. This unique distinction was achieved in October 1914 but has not, until now, been widely acknowledged or reported. This paper attempts to partly rectify this omission and outlines aspects of her life (1893–1970), which can be divided into her pre-university, university and post-university experience; these three phases are discussed in the context of a changing economic and social Ireland in the early twentieth century.

INTRODUCTION

The inspiration and motivation for this paper was provided a little while ago when this author was researching aspects of the life of the late Charles Hubert Oldham, the first Professor of Commerce in the newly created University College Dublin (UCD) and the first dean of the Faculty of Commerce at that university (Clarke, Ó hÓgartaigh and Ó hÓgartaigh, 2010). The author uncovered the possibility that Lilian Mary Deignan was the first individual to graduate with a B. Comm. degree from University College Dublin and that this was achieved at the graduation ceremony of October 1914 (Report of the President, 1913–14, p. 50). The graduation and significant achievement of Lilian Deignan at that time – 100 years ago – stimulated personal curiosity for a number of reasons. Firstly, the author (and his immediate colleagues) was surprised that the first B. Comm. graduate from University College Dublin was female, when in fact females represented only about 10 per cent of the total student population of University College Dublin during the two years

before Lilian Deignan entered the university in October 1911 (Report of the President, 1935–1936, p. 24). A similar situation existed in University College Cork, for example, where there was only a small number of women students (Murphy, 1995). Indeed, in the volumes of copious discussion by the Dublin Commission (1909) in relation to commerce/business education, the terms ‘men’ and ‘business men’ were universally used, with no reference to females. Secondly, and in the context that Miss Lilian Deignan was a scholarship student, Commerce degrees around that time lacked overall status in the community, with one early and distinguished Commerce graduate of UCD suggesting, in a slightly over-critical manner, that ‘the Commerce degree at that time had the lowest standing in Academe, below even the pass degree in Trinity College which had an exceptionally poor reputation’ (Andrews, 1982, p. 39). A subsequent report on the Faculty of Commerce argued that the programme of the Faculty of Commerce had not been developed or equipped so as to adequately discharge its educational purpose (National University of Ireland, 1919). Thirdly, the Faculty of Commerce had previously publicised (in 2008) that they were celebrating 100 years of education. However, the selected year (2008) related to the legislation enabling the creation of University College Dublin through the Irish Universities Act 1908. It was in the following year (1909) that the first appointments in ‘Commerce’ subjects to the newly created Faculty of Commerce at University College Dublin were made; the faculty held its first meeting in March 1910; the first B. Comm. students began their studies in the autumn of 1911; the first Commerce examinations were held in 1912; and the first graduates of the faculty were conferred in 1914 (Clarke et al., 2010). Thus, it would also have been appropriate to celebrate 100 years of actual Commerce education in any of the years between 1909 and 1914 (inclusive), with the latter date representing the date of graduation of Lilian Mary Deignan – the first graduate of the B. Comm. programme.

This paper reports biographical research on various aspects of the life of the first B. Comm. graduate of University College Dublin, Lilian Deignan (1893–1970), in the context of the emerging business education sector in Ireland, together with a changing economic and social Ireland around the beginning of the twentieth century. While some research on prominent individuals in accounting/business education in Ireland has been published in recent years (for example, Keogh and Keogh, 2010; Clarke et al., 2010; Clarke, 2005) the area of biographical research is a relatively neglected one. This is a curious omission since accounting/business history is not limited to a sterile description of techniques and developments. Rather, accounting/business history should also concern itself with those individuals who shaped and were shaped by those developments, or were instrumental in their prevention. Thus, accounting/business history is a fundamental part of social history, and biographical research allows us to better understand social history. Following on from this, Flesher and Flesher (2003) argue, biographical research involves the discovery of facts about an individual’s life but a collection of facts does not make a biography. Rather, there must be a narrative and a context.

This paper is structured as follows. In the next section I describe the pre-university years of Lilian Deignan. This is followed by a section on the newly created Faculty of Commerce at University College Dublin within which Lilian studied for her B.

Comm. degree. The post-university life of Lilian Deignan is then described. A short concluding section ends this paper.

THE EARLY YEARS

The first public record found relating to Lilian Deignan was that contained in the 1901 Census of Ireland, where she is listed as Lily M. Deignan, residing in a house in Shinrone, King's County (now County Offaly), and entered as a Roman Catholic, then aged seven years, born in Fermanagh and whose occupation was listed as a scholar, i.e. a school pupil (National Archives of Ireland, 1901). She was listed as one of five children: John (nine years), Lily (seven years), Thomas (five years), Michael (four years) and Edward (two years); and the three eldest were listed as being able to 'read and write'. Her mother, Margareta, then aged 34, was born in Fermanagh, as was Lilian, but her siblings were all born in Cavan. These curious birth location entries were clarified by examining the subsequent 1911 Census, which lists the Deignan family as residing in Duke Street, Birr, and reports that Patrick Deignan (the father, 57 years) was a head constable of the Royal Irish Constabulary (RIC) and indicates that he was born in Sligo (National Archives of Ireland, 1911). That census return also reveals three additional children to the family: Francis (nine years), Margaret (seven years) and Sarah (four years), all of whom were born in King's County, making a total of eight children in the Deignan family, of whom Lilian was the second eldest.

A listing of members of the Royal Irish Constabulary (Winters, 1893) confirms that Sergeant P. Deignan was stationed at Ballinagh, County Cavan during the 1891 Census.¹ The police force at that time, according to one contemporary recruit, offered many attractions, with a salary equal to that of a bank clerk, civil servant or schoolteacher, but with the prospects of advancement being much better and with a lodging allowance being provided for married men. Moreover, while a schoolteacher and bank clerk would be confined within the narrow space of a classroom or behind a bank counter, the RIC constable would be out in the open air (Gaughan, 1975). The successful royal visit by Queen Victoria in 1900 emphasised the notion that policing in Ireland was 'enjoying a period of civil tranquillity' (McCarthy, 2012, p. 33). Lee (1990) notes that the change in the attitude of the people towards British rule in Ireland between Easter 1916 – following the executions of the rebel leaders of the failed Rising – and June 1918 was astonishing, and that the RIC, which was an 80 per cent Irish Catholic force, had to endure the release of public wrath as an unexpected swing of support towards republicanism unfolded. In subsequent times, Patrick Deignan was reported as acting as manager of the Birr Electric Light and Power Company for 'many years and was a highly efficient business executive. He was a kind and popular gentleman' and died, aged 88 years, in 1948 (*Nenagh Guardian*, 29 May 1948, p. 8). He was predeceased by his wife, Margaret, who died in 1944 (*Irish Independent*, 11 January 1944, p. 1).

By the time of the 1911 Census, Lilian Deignan was listed as resident in house 3 in Monaghan town (National Archives of Ireland, 1911). In fact, she was a pupil at the prestigious and highly regarded St Louis Convent in Monaghan town, and was

then aged seventeen years. On that Census return form, her birthplace was incorrectly listed as 'Birr, King's County', but this error is understandable considering that there were over 120 (boarding) pupils listed that evening in the school (in addition to five teachers), with ages ranging from six to eighteen years. It is interesting to note that this 1911 Census return indicated that 28 different (Irish) counties of birth were represented by pupils of the school that evening. Assuming that these counties of birth were equivalent to the county of residence for each pupil, this highlights the geographical spread of the pupils of that convent and represents a remarkable representation given the logistical efforts encountered by some pupils who had to travel long distances at that time.²

While attending St Louis Convent in Monaghan town, Lilian Deignan was awarded a prestigious Bronze Medal and a £3 prize at Middle Grade of the Intermediate Examination, having obtained the highest marks (for girls in Ireland) in the Honours examination in Italian; her interest in the Italian language would be maintained in her subsequent studies in University College Dublin and thereafter. Many pupils of St Louis Convent, Monaghan received various awards and prizes in various examinations at senior, middle and junior grade examinations (*Irish Times*, 17 September 1910). These collective examination performances highlight the excellent reputation and high standard of education provided to the pupils of that convent. However, such achievements were attained through motivation and hard work. For example, Sister Laurentia, a former pupil and subsequent nun at St Louis for some years, stated in her (unpublished) memoirs that when she became a boarder at St Louis Convent, Monaghan (in 1897) the pupils were urged to challenge Protestant supremacy in the exhibition lists and she remembered that the senior and middle grade students got up voluntarily around 5 a.m. for months before the examination (Ó hÓgartaigh, 2011).

However, access to university education for Catholics in Ireland at that time was problematic. Coolahan (1981) explains that the only (full) university in Ireland was Trinity College – the University of Dublin – which had a Church of Ireland ethos. The university had abolished all religious tests for admitting students in 1873 only for the Catholic hierarchy to oppose Catholic attendance at that university in 1875. In addition, it was clear that the non-denominational Queen's Colleges, established at Belfast, Cork and Galway during the 1840s, and condemned by the Catholic hierarchy at the Synod of Thurles in 1850, were not a satisfactory solution to the needs of Irish university education. Moreover, the Catholic University, formally opened in 1854, was languishing in the absence of sufficient endowment, poor public support, some ecclesiastical opposition and declining student numbers. Thus, after a long and difficult process an acceptable solution was arrived at, and this was contained in the Irish Universities Act 1908, which left the status and operation of the University of Dublin (i.e. Trinity College) unchanged (Maxwell, 1946). The Act established two new universities in Ireland. The old Queen's College in Belfast was raised to the status of a full university with non-denominational status. In addition, a federal National University of Ireland was established which would embrace the existing Queen's Colleges at Cork and Galway and the newly formed University College Dublin. Though legally non-denominational, the background of the students and the religion of the majority of the governing bodies and staff ensured that these

three university colleges would reflect a Catholic ethos, and they were accepted and supported by the Catholic hierarchy (Coolahan, 1981). However, Bartlett comments (2010, p. 366) that:

No one appears to have noticed that setting up two universities [Queen's University Belfast and the National University of Ireland], each organised on a different basis, directed at different religious communities, and located in different parts of the country, might presage some form of partition.

University College Dublin began life as a teaching institution on 2 November 1909 when it enrolled just over 500 students, of whom 90 per cent were male (McCartney, 1999). The statutes of the Irish Universities Act 1908 (Chapters XI and XVI) provided for the establishment of a Faculty of Commerce at UCD.³ The Dublin Commission – the statutory body that was entrusted to make all appointments to the National University of Ireland – appointed Charles Hubert Oldham as the (first) Professor of Commerce at UCD on Saturday 23 October 1909⁴ and the first meeting of the UCD Faculty of Commerce was held on 31 March 1910, during which it was agreed that Oldham be chosen as dean of the Faculty of Commerce in UCD (Faculty of Commerce, 1910). As far as can be ascertained, Professor Oldham delivered the first lectures in the Faculty of Commerce, dealing with international commerce, commencing in January 1910 on Tuesday and Thursday afternoons at 4.30 p.m. in Earlsfort Terrace in the Hilary (i.e. January to March) and Trinity (i.e. April to May) terms. Subsequently it was reported that Commerce lectures 'were attended by students of the BA and MA classes in economics as well as by other voluntary students' (Report of the President, 1910–11, p. 10). The first B. Comm. students commenced their studies in the autumn of 1911 but lectures in commerce at that time were largely attended by non-university students (Report of the President, 1911–12).

In addition to its academic remit, the Irish Universities Act 1908 (section 10.2) empowered any local rating authority to award scholarships tenable in any university in Ireland. The regulations attaching to the scholarship schemes varied from county to county and from time to time, but Irish was insisted upon in all cases (Return of Scholarships, 1913). McCartney (1999) adds that it was clear from the involvement of county councillors on the governing bodies of the universities and from the debates in Parliament in 1908 that these scholarships were intended to provide an additional source of income for the (underfunded) colleges. Special examinations for scholarship applicants were set by the college, and the scholarship holders undoubtedly raised academic standards. In addition, the *Freeman's Journal* expressed the opinion that 'these valuable prizes are a splendid stimulus and reward to ambitious students eager to proceed from a successful secondary school course to the culture of a university career' (23 October 1912, p. 5).

The 1908 Act, while conferring on women equality with men in all matters relating to university education, also ensured that women had to attend university to obtain degrees; prior to the 1908 Act, women could obtain degrees from the Royal University, which organised examinations, by attending, for example, Loreto, Dominican, Sacred Heart and other 'recognised' convents/colleges. Thus,

the refusal to continue 'recognised' status for these female colleges ensured that women students had to come instead to one of the National University of Ireland colleges (McCartney, 1999). Thus, Lilian Deignan is listed as one of the five King's County scholarship holders - which were worth £50 a year, tenable for three years, subject to satisfactory grades - with her father being listed as a head constable (Return of Scholarships, 1913). The Academic Council of University College Dublin had noted that she qualified for a King's County scholarship, averaging 45 per cent in her entrance exam (Academic Council, 1911). The University College Dublin Calendars for the sessions 1911-12, 1912-13 and 1913-14 confirm that she was in receipt of a King's County scholarship in each of her three years of B. Comm. study. These county scholarships were open to students of either sex and were awarded in the order of merit in which the candidates stood in the results of the special examination for county scholarships, held in September by University College Dublin. In addition, to qualify for a scholarship, candidates must have provided testimonials as to their character from a clergyman and their principal school teacher. A final condition was that scholars must reside in a university hostel. There was provision that, in the case of a scholar showing special capacity in Commerce or Science, the scholarship could be extended to a fourth year, indicating that these subjects were more favoured than scholarships in Arts, Architecture, Engineering or, indeed, Law, for which no scholarship was available (Return of Scholarships, 1913).

THE UNIVERSITY YEARS

An entry in the National University of Ireland Calendar (1912, pp. 407-408) reports that Lilian M. Deignan was among a number of (listed) students who, having passed the Senior Grade Examination of the Intermediate Education Board for Ireland, had been registered as matriculated students of the National University of Ireland. Thus, Lilian Deignan (and Thomas Fitzpatrick) commenced their studies in the Commerce faculty in autumn 1911; we have no record of other students enrolling at that time. There were 765 students at University College Dublin for the academic year (1911-12), of which 137 (18 per cent) were women, and overall student numbers for 1912-13 and 1913-14 (with the percentage of women in parenthesis) were 880 (19 per cent) and 871 (21 per cent) respectively (Report of the President, 1935-36, p. 24).

While the number of registered Commerce students at University College Dublin was, initially, very small, they should be viewed in the context of a growing awareness of and participation in commercial (and technical) education in Ireland at the beginning of the twentieth century. One of the first major developments in this area was the passing of the Local Government (Ireland) Act 1898, which provided for the creation of local councils throughout Ireland; the Act empowered these newly created county and borough councils to levy a rate to provide money for technical education (Coolahan, 1981, p. 87). The following year, the Agriculture and Technical Instruction (Ireland) Act 1899 was enacted, at the height of the Victorian boom in legislation. This Act established a new Department of Agriculture and Technical Instruction, which, in turn, set up technical schools in which classes were designed

to be mainly related to the needs of the local community, but with a vocational or technical focus. The Act also made available, on top of the local rate, an annual sum of £55,000 for the provision of such education.

Thus, for example, the Rathmines School of Commerce was founded in 1901 and was devoted solely to commerce and commercial instruction (Clarke et al., 2010). In 1906, the Waterford Technical Institute was formed, which also included commercial education in its curriculum (Hearne, 2006). In 1906, the Belfast Municipal Technical Institute opened to students, and a formal opening ceremony was held in 1907 (McCoy, 2009). Thereafter, in 1908, the Cork Municipal School of Commerce was formed, along similar lines as Rathmines, largely at the behest of the local Chamber of Commerce (Cork Incorporated Chamber of Commerce and Shipping, 1918). Moreover, in 1910 the Irish Society of Arts and Commerce was founded, holding examinations in a variety of commercial subjects with examination centres in many provincial locations. By 1920 it had 1,138 candidates for its examinations (*Freeman's Journal*, 13 November 1920, p. 5).⁵ One of the Society's presidents, F.C. Wallis-Healy, argued that commercial examinations had 'been largely in the hands of English examining bodies, but ... the time had arrived when these matters could be dealt with by an Irish examining body' (*Freeman's Journal*, 5 December 1923, p. 3). Several secondary schools reported the fact that its students were successful in the Society's examinations. In addition, it is interesting to note that in the first year of its existence, the Society had two presidential positions, one being filled by Professor Windle, who was President of University College Cork, and the second position being filled by Professor Tom Kettle, Professor of National Economics at University College Dublin (*Irish Times*, 24 January 1911, p. 3). All the above institutions reported large and increasing numbers of (evening) students each year, and their graduation ceremonies, together with names of successful candidates, were well reported in the national and local press. Such publicity provides evidence of expanding business activities and a growing middle class in Irish society around the turn of the century, which generated the need for more commercial education. In such an environment, one can validly argue that knowledge of commercial matters would be a considerable source of advantage in gaining employment and this may have been particularly the case for females, who may have had to compete with male candidates in employment applications.

We can only speculate as to why Lilian Deignan selected the infant Commerce degree in contrast with, say, Arts. A probable reason is provided by Ó hÓgartaigh (2011), who points out that many female school pupils around that time concentrated on modern languages to the neglect of Latin. For example, the Report of the Intermediate Education Board for 1909 (Intermediate Education Board, 1910) states that 3,656 girls presented themselves for examination in 1909, of whom only 746 (20 per cent) sat Latin. In contrast, 7,676 boys presented themselves, of whom 4,297 (56 per cent) sat Latin. Under the regulations at that time (National University of Ireland Calendar, 1912, pp. 175, 176), the subjects of Latin or Greek were required for matriculation. However, Latin (or Greek) was not required for 'students entering for degrees in Science and Commerce'. It is this language restriction which may have accounted for Lilian Deignan studying Commerce, and which may also explain the relatively high proportion of female students in Commerce faculties.

At that time, the Faculty of Commerce at University College Dublin consisted of three Commerce-orientated professors: Charles Oldham (dean and Professor of Commerce), Tom Kettle (Professor of National Economics) and Reverend Thomas Finlay SJ (Professor of Political Economy). In addition, there were two lecturers. Donal O'Connor was the lecturer in Accountancy and was a chartered accountant as well as being the 51st articulated clerk of the Institute of Chartered Accounts in Ireland (Chartered Accountants Ireland, 2013). He was a member of the National Council of the Sinn Féin movement, auditor of Dáil Eireann from 1919 to 1922, and was also a personal friend of Arthur Griffith, Patrick Pearse and Michael Collins (*Irish Independent*, 18 March 1935). Francis Leet was the lecturer in Banking and Finance. He was a barrister who played a large part in assisting in the formation of the Institute of Bankers, for which he was the first secretary (White, 1998). In addition, membership of the Faculty of Commerce comprised various professors and lecturers in law, history and languages based in other faculties in the college (UCD Calendar, 1918–19). It is interesting to note that the general regulations for students of the university were rather severe in comparison to modern times. For example, students were required to 'show due obedience to the President, [and] Professors [and were] expected to attend all the lectures given in each course for which [they were] entered'. The fees were £10 for the first and second years in Commerce and £8.10.0 for the third and final year (UCD Calendar, 1911–12).

Unfortunately, the Faculty of Commerce minute book for the years coinciding with Miss Deignan's period of study in the faculty has been mislaid.⁶ However, the university reported (Report of the President, 1911–12, p. 52) that Lilian Deignan passed with honours her first university exam in Commerce, obtaining first class honours in Commerce and Italian and second class honours in English. Subsequently, the Governing Body of University College Dublin awarded Lilian Deignan an Exhibition of £10 on the basis of her first year results (*Irish Independent*, 3 August 1912). Indeed, she was the sole recipient of such an award from the Faculty of Commerce and, by definition, the first recipient of such an award from the newly established Faculty of Commerce. However, it should be noted that only two students entered for and passed the First Commerce examination in Summer 1912, which was the lowest number of students recorded in any faculty, as highlighted in Table 1.

TABLE 1: FIRST-YEAR EXAMINATION IN UNIVERSITY COLLEGE DUBLIN – SUMMER 1912

Course	Number of Students
Arts	100
Commerce	2
Engineering	14
Law	7
Medicine	23
Science	19

Source: Figures extracted from the Report of the President, 1911–12, p. 12

Miss Lilian M. Deignan: The First B. Comm. Graduate from University College Dublin

The regulations at that time (UCD Calendar, 1911–12) required that candidates for the First Commerce examination were required to present themselves in five of the subjects listed in Table 2.

TABLE 2: FIVE SUBJECTS TO BE CHOSEN FROM THE FOLLOWING LIST FOR FIRST COMMERCE

1. Mathematics
2. Commerce I
3. English or Modern History
4. One of the following: Modern Irish, French, German, Italian, Spanish or Welsh
5A. A modern continental language (not already selected in Option 4 above), or
5B. Experimental Physics, or
5C. Chemistry

Source: UCD Calendar (1913–14, p. 397), but variation can be noted from year to year

The reader will notice the absence of what would now be described as important commercial disciplines in the above first year regulations, such as Accounting, Banking and Finance, Economics or Business Administration. Indeed, the above choices, with the exception of Commerce I, were to be taken as part of the normal courses offered, as appropriate, in the Faculties of Arts or Science (UCD Calendar, 1911–12). In addition, Commerce I was scheduled at the unsociable time of 5–6 p.m. each Monday, Wednesday and Friday, presumably to facilitate non-university students with employment commitments. However, it must be remembered that university education in Commerce in both Ireland and England was relatively novel. Indeed, the Dublin Commissioners invited representations and received evidence from the newly created universities in England (Birmingham, Leeds, Manchester and London) regarding curriculum issues. Thus, it should not be a surprise that the three-year Commerce curriculum in University College Dublin had many similarities with that of, for example, the University of Manchester, which included Political Economy, Geography, Modern History, one modern language and a few specialist subjects such as Accounting, Commercial Law and Banking. The Dublin Commission also received evidence on staffing and the Vice-Chancellor of Manchester University indicated that the specialist commercial subjects were taught by ‘two or three practical local men, who lecture on the subject who are not professors, and who only come occasionally’ (Dublin Commission, 1909, pp. 27–28).

The UCD regulations required that candidates for the Second and Third Commerce examinations present themselves in the seven subjects laid out in Table 3 and lectures on Accountancy, Commerce, Banking and Finance were all scheduled in the evening. However, the University College Dublin Calendar (1913–14, p. 474) contained an interesting ‘warning’ regarding the Accountancy courses, which extended over a period of two years. Students were informed that they must have acquired a competent knowledge of bookkeeping before entering the course in accountancy,⁷ and that this knowledge was to be acquired either before matriculation, or, alternatively, during their first university year. Students were invited to

Clarke

‘consult the lecturer in Accountancy, who will conduct a class in elementary book-keeping suitable for their requirements, on days which he will arrange.’

TABLE 3: SUBJECTS IN SECOND- AND THIRD-YEAR COURSE FOR B. COMM. DEGREE AT UCD

Second-Year Course	Third-Year Course
Accountancy I ^a	Accountancy II ^b
Commerce II	Commerce III
Commercial Law (Course A)	Commercial Law (Courses B and C)
Political Economy	National Economics
	Banking and Finance
Two from: French, German, Italian, Spanish, Experimental Physics, Chemistry	

Source: UCD Calendar, 1913–14

^a Accountancy I included preparation of year-end accounts from the trial balance, including adjusting entries for depreciation, bad debts, accruals and prepayments; accounts for non-trading concerns and institutions; valuation of stocks and sinking funds; valuation of goodwill; capital accounts including share issue; and the distinction between a receipts and disbursement account and an income and expenditure account (UCD, 1911–12).

^b Accountancy II included the study of special accounts such as partnership accounts, accounts for executors, administrators and bankrupts; branch accounts; hire purchase; costing for contracts; and internal check. It should be noted that some variation occurred from year to year.

The UCD Archives retrieved the examination record of Lilian Deignan, shown in Table 4, which indicate the following marks in her subjects, with the gross marks obtained being reported in relation to the marks available for that subject. The equivalent percentage is also indicated for convenience.

TABLE 4: LILIAN DEIGNAN'S REPORTED MARKS IN B. COMM. DEGREE EXAMINATION (1914)

Subject	Gross Mark Obtained/Total Available	Equivalent %
Political Economy	450/1,000	45%
National Economics	320/1,000	32%
Commercial Law	840/1,000	84%
Commerce	1,653/2,400	69%
Banking and Finance	470/1,000	47%
Accountancy	1,000/1,500	67%
French	500/1,000	50%
Italian	550/1,000	55%
Grand total and average	5,783/9,900	58%

Source: UCD Archives, 2013

It is not entirely clear from the exam regulations contained in the Calendar of University College Dublin how the above total available marks were obtained or applied and why separate marks were returned for both Political Economy and National Economics. Nevertheless, an average mark of 58 per cent was obtained by

Lilian Deignan. It is possible that her relatively poor mark in National Economics deprived her of obtaining an Honours degree award. Indeed, under current exam regulations in the university, a candidate returning such individual and aggregate marks could expect to receive an honours award. Certainly, exam candidates now have the right to view their exam script and appeal the mark awarded, a facility not available to Lilian Deignan at that time.

However, the *Irish Times* reported that Lilian Deignan obtained her B. Comm. degree in autumn 1914, at a pass grade – a considerable achievement in itself. She was one of two graduates, the other being Thomas Fitzpatrick (*Irish Times*, 17 October 1914). Indeed, the UCD exam broadsheets only report two candidates sitting the B. Comm. degree at that time – Lilian Deignan and Thomas Fitzpatrick (National University of Ireland, 2013). Because degrees are presented at graduation in alphabetical order, Lilian Deignan would have been the first to receive her parchment at graduation and therefore became, in October 1914, the first B. Comm. graduate of University College Dublin. Thus, Lilian Deignan has the distinction of being the first person to be conferred with a B. Comm. degree from University College Dublin and she was also the first female to be conferred with a B. Comm. degree by an Irish university.⁸ The Report of the President (1913–14, p. 17) confirms that the first B. Comm. degrees in University College Dublin were awarded in 1913–14 and the Faculty of Commerce had the lowest number of graduates (2), compared with 93 in Arts, 40 in Medicine, 16 in Science, 7 in Engineering, and 8 in Law. It should be noted that, in modern times, many B. Comm. graduates now enter the accountancy profession. However, the career route of chartered accountancy was not available to Lilian Deignan since women were not permitted to obtain membership of the Institute of Chartered Accountants in Ireland. However, at its AGM in 1919, the Institute of Chartered Accountants in Ireland was the first of the chartered bodies to permit the admittance of women members. Robinson (1964) reports that Miss Eileen Woodworth became the first lady member of the Irish Institute, being admitted to ‘articles’ in 1920 and subsequently qualifying in 1925.⁹

In 1915 Lilian Deignan was one of the 28 students who graduated with the Higher Diploma in Education from University College Dublin, but she was the only B. Comm. graduate in that group, all the others having BA degrees (*Irish Times*, 25 June 1915). The curriculum for the Higher Diploma in Education at that time involved five hours each week in the Theory of Education and five hours per week in Demonstration of Teaching Method; and each student was required to teach, in a suitable school and under the supervision of the Professor of Education, for at least one hundred hours during the year (UCD Calendar, 1914–15). The combination of a B. Comm. degree and a Higher Diploma in Education could have opened up a career in secondary school teaching for Lilian Deignan; however, this avenue was not pursued by her for reasons unknown.

LIFE AFTER UNIVERSITY

Subsequent to graduating from University College Dublin, Lilian Deignan worked in the Bank of Ireland; it appears she was stationed at the Shipquay Street branch in

Derry and served there during World War I (Buckley, 2013). Subsequently, Lilian Deignan joined the civil service and there is an entry in the *London Gazette* (5 August 1921), dated 14 July 1921, stating that Lilian Mary Deignan was assigned, after open competition, to the clerical class (women) in the Inland Revenue Department. This was a rather unusual time to be working for Inland Revenue since in May 1921, during the Irish War of Independence, members of the Irish Republican Army set fire to the (Dublin) Custom House, which included the Inland Revenue Department. The raid was intended, by the destruction of official papers including income tax records and returns, to cripple the work of public departments operating from the Custom House building.¹⁰ However, the Inland Revenue, together with a number of other organs of state, soon began functioning from Dublin Castle (Reamonn, 1981). These relocated employees would have most probably included Lilian Deignan. A few months later, after the War of Independence, Lilian Deignan was transferred to the service of the Irish Free State. It is interesting to note that, under Article 79 of the 1922 Constitution, the transfer of a number of public services, including the Inland Revenue, was deferred (Constitution of the Irish Free State, 1922). By agreement with the British government, these services were administered on an agency basis so that it was not until 6 April 1923 that the Irish Free State became a separate, independent fiscal and political entity (Revenue Commissioners, 1924). This explains why Lilian Deignan's record, as a 'Clerical Officer, Female' with the Revenue Commissioners dates from 15 July 1923. It terminates on 24 August 1930 (Revenue Commissioners, 2013). The termination was due to her marriage, in September 1930, to George R. Buckley. The couple resided at Maxwell Road, Rathgar (*Irish Independent*, 14 December 1970). George Buckley, a World War I veteran, was an employee of the Civil Works Department at the ESB, having earlier worked in the mid-1920s on the important Shannon Hydroelectric Scheme, which heralded the electrification of Ireland. He subsequently worked on land acquisition for the Poulaphouca Reservoir Scheme in the late 1930s and later the Erne and Lee schemes (Buckley, 2013). However, Lilian Buckley's retirement from the civil service was then necessary since Statutory Instrument 26/04/1924, under section 9 of the Civil Service Regulation Act 1924, provided, *inter alia*, that female civil servants holding established posts would be required on marriage to resign from the civil service.¹¹ It was a time when relations between Ireland and Great Britain became increasingly strained by a prolonged dispute over land annuities; this 'Economic War' lasted six years, by which time trade between the two countries had significantly declined, with a resultant lack of job opportunities (McSharry and White, 2000). It is likely that the lack of job opportunities at that time, coupled with the culture of married women not working outside the home, resulted in Lilian Buckley adopting the role of full-time mother and homemaker.

However, during her married life, Lilian Buckley maintained connections with the community, school friends and members of the St Louis order (Buckley, 2013). For example, she acted as honorary treasurer of Clann Lughaidh - literally translated as the 'Family of Louis' - which included schools at Balla, Carrickmacross, Kiltimagh, Monaghan town and Rathmines; a group photograph of the committee which includes Lilian Buckley in May 1950 was published in the *Irish Press* (13 May 1950, p. 3). She also served as an officer of the National University Women Graduates'

Association (*Irish Press*, 14 July 1956, p. 5). Furthermore, 'Lilian Buckley' is listed as a member of the committee that organised the first juvenile dance under the auspices of the Irish Red Cross Society, which was held in the Gresham Hotel (*Irish Independent*, 7 January 1946). The *Irish Independent* (14 December 1970) further reported that Mrs Buckley was a member of the viewing panel of the National Film Institute. The National Film Institute was registered as a non-profit-making organisation in 1945, two years after its establishment, with its original sponsors including the Roman Catholic Archbishop of Dublin, the Most Rev. Dr John Charles McQuaid. The Institute received an annual grant-in-aid from the Irish government which was used to acquire a library of films, including films in Irish, as well as the addition of Irish soundtracks to suitable films and the production of filmstrips in consultation with the Department of Education. The Institute also maintained three mobile units on constant tour of Irish schools during term time showing health films under the control of the Department of Education (*Irish Times*, 8 April 1959). Within a decade, the Institute reported at its annual meeting that a total of 1,501 films had been acquired, with 102 films being added to the library during the most recent year (*Irish Times*, 18 February 1956). It is assumed here that Lilian Buckley would have been involved around that time in viewing possible acquisitions for the Institute.

Lilian Buckley (née Deignan) died on 12 December 1970 at St Luke's Hospital, Dublin, aged 77 (*Irish Independent*, 14 December 1970). She is buried, with her husband George, in Cruagh Cemetery, Rathfarnham (Findagrave, n.d.). She was survived by her son, John, her sister Sister Imelda (Swinford), and her brothers Thomas (Bray) and Michael Joseph (Nenagh). The Deignan family, as reported in both the 1901 and 1911 Census of Ireland, were a Roman Catholic family, with three of the eight children serving in religious orders. Lilian Deignan's eldest brother, John Vincent, entered the Jesuit order in Tullabeg in 1911 after his education in Mungret College in Limerick. The following year he joined the American Province and was ordained in 1924. He served, initially as Professor of Chemistry and subsequently as dean of the Faculty of Science, at Springhill College, Mobile, Alabama, a faculty which he established in the 1920s (*Irish Independent*, 22 June 1966, p. 2). Lilian's younger brother Francis, also educated at Mungret College, was ordained at the Vincentian All Hallows College in 1926 for the diocese of Natchez, Mississippi. He was appointed pastor of this parish in 1944 and was responsible for a significant building programme (*Irish Independent*, 22 June 1966, p. 2). Lilian's younger sister Margaret was received into the Convent of Mercy, Swinford and her name in religion was Sister Imelda (*Nenagh Guardian*, 9 February 1929, p. 7).

Lilian Buckley's (née Deignan) familial association with University College Dublin continued after her graduation. Her son, John Francis, was born on 7 October 1931 and, after attending Synge Street secondary school, would graduate from University College Dublin with a BA in 1954 and, in the following year, with an LL.B. (First Honours). During his university years he was prominent in the Literary and Historical Society where, for example, he served as correspondence secretary for 1952–1953 (*Irish Times*, 3 June 1952). Around that time, he was also a member of the first Irish debating team, representing University College Dublin, which participated in the Observer Mace University debating competition (Buckley, 2013). John Francis Buckley subsequently qualified as a solicitor in 1956. Thereafter he

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was a member of the Council of the Law Society Committee, including acting as chairman of its Education Committee and as junior vice-president. He was also president of the Dublin Solicitors' Bar Association. He became a law reform commissioner (1987–1996) and was one of the first solicitors to serve as a circuit court judge (Buckley, 2013).

CONCLUSION

In conclusion, this paper has clarified some details about the life of the late Lilian Deignan. Of course, there are limitations to this research due to the difficulties of getting access to archival material, or where archival material does not exist. Nevertheless, it is hoped that this paper acknowledges, belatedly, her significant achievement as the first B. Comm. graduate of University College Dublin – a distinction which can never be taken away from her. Indeed, the only contemporary recognition of her achievement, until now, appeared in the *Irish Times* (21 November 1914, p. 8) which noted 'It will be a source of pleasure to hear that the distinction of being the first young lady in Ireland to take the degree of Bachelor of Commerce has been won by Miss Lilian M. Deignan, daughter of ex-Head Constable Deignan, Tullamore. Miss Deignan has already given proof of her talents and industry by winning a King's County Scholarship, thus securing entrance to the National University.' In fact, as this paper also reveals, she was the first B. Comm. graduate from University College Dublin. As such, she was an important role model and must have served as a source of inspiration for the early generation of female commerce students. Now, one century on, it is appropriate to remind ourselves of this achievement. Finally, it is also interesting to note that as the total number of B. Comm. graduates from University College Dublin will shortly reach 20,000 students, her grandson, Aidan Robert – recently one of those graduates – is now a chartered accountant (Buckley, 2013).

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NOTES

- ¹ Keith Winters has created an important new free resource for family and social history researchers. Based on G. Dagg's (1893) book *Devia Hibernia: The Road and Route Guide for Ireland of the Royal Irish Constabulary*, it lists all the RIC stations in Ireland, and for each one provides information about the locality together with the

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names and ranks of over 1,500 men of the RIC. The book was compiled and edited by Dagg, who was a district inspector in the RIC, and was published by Hodges Figgis & Co. in 1893.

- ² The counties of birth not represented that evening (Sunday, 2 April 1911) were Carlow, Longford, Waterford and Wicklow. In addition, non-Irish births listed included pupils born in Jamaica, Liverpool and the United States.
- ³ The establishment of a (separate) Faculty of Commerce at University College Dublin was no formality even though the Dublin Commissioners received extensive representations from the local community. Evidence from England was also provided and, for example, the *Freeman's Journal* reported that in four of the youngest universities in England – London, Birmingham, Leeds and Manchester – a chair in Commerce had already been established; and it was argued that Ireland should ‘not be slow to follow their lead’ (*Freeman's Journal*, 29 January 1909, p. 7). However, a subsequent report on the faculty stated that ‘the establishment of this Faculty was an afterthought, and it was done as an experiment and upon a provisional basis’ (National University of Ireland, 1919, p. 7). A Belfast Commission was responsible for deciding on the structure of and appointments to Queen's University Belfast.
- ⁴ Two days previously, the Dublin Commission appointed Mr Timothy Smiddy, MA, FCS, as Professor of Economics and Commerce at University College Cork, and a lectureship in accounting was also created (*Freeman's Journal*, 22 July 1909, p. 6). Professor Smiddy is perhaps better known for his role as economic advisor to the Irish plenipotentiaries for the Anglo-Irish Treaty negotiations from October to December 1921 following the War of Independence, and subsequently as Ireland's first ambassador/overseas minister, serving as minister plenipotentiary and envoy extraordinary to the United States of America for the Irish Free State from 1924 to 1929 (Davis, 1996). The Faculty of Commerce at University College Galway did not exist at that time (Clarke, 2005).
- ⁵ The examinations of the Irish Society of Arts and Commerce included subjects such as English, Irish, German, French, Spanish, Esperanto, commercial correspondence and office routine, handwriting, commercial law, theory and practice of commerce, commercial history, geography, economics, geometry and drawing, arithmetic, book-keeping including banking and accountancy, indexing and précis writing, shorthand and type-writing (*Freeman's Journal*, 24 January 1909, p. 3).
- ⁶ A handwritten note in the Faculty minute book, dated 14 June 1927, reads ‘The minute book containing the minutes of meetings prior to June 1927 is not available. It was probably in the possession of the late Professor Oldham’ who was the dean at that time (Faculty of Commerce, 1927, p. 20).
- ⁷ The Bookkeeping subject at Senior Grade of the Intermediate Examination required an elementary knowledge of, for example, the following: auditing, bookkeeping, liquidation of limited liability companies, and accounts of bankrupts, executors and trustees (Intermediate Education (Ireland) 1910).
- ⁸ The first B. Comm. student to be conferred by an Irish university was John Florence Burke, who was conferred with a B. Comm. by University College Cork on 25 October 1913 (National University of Ireland Calendar, 1914). He obtained first class honours in Economics and second class honours in Commercial Technique and was awarded a scholarship tenable at the London School of Economics (*Freeman's Journal*, 11 October 1913). Two graduates, Frederick T. Lloyd Dodd and William Aubrey de Vere Dodd, had graduated in summer 1913 from the Faculty of Commerce in Queen's University Belfast but they were conferred with a B.Sc. degree (Queen's University of Belfast Calendar 1913–14, p. 682).
- ⁹ Around that time the Institute of Chartered Accountants in Ireland was a very small body. Robinson (1964) states that when the First World War broke out in 1914, the Irish Institute had 116 members; there was a total of 156 articled clerks, of whom five were admitted during the year, and this compares with an approximate annual intake of about ten students around that time. In addition, articled clerks were required to pay a premium to their principal and serve, in the case of university graduates, a three-year period of training.
- ¹⁰ Lilian Deignan told her son, John, that she was present in the Custom House the day it was burned (Buckley, 2013).
- ¹¹ The requirement for female civil servants to retire on marriage had been a regulation since 1924. Subsequently, the Civil Service Regulation Act 1956 and the Civil Service Commissioners Act 1956 placed in statute law the requirement that female civil servants would face mandatory retirement on marriage. This provision was finally repealed by the Civil Service (Employment of Married Women) Act 1973. The legislation was prepared by the Fianna Fáil party when in office; however having lost power in the 1973 general election, the reforming legislation was introduced by the new Fine Gael–Labour government.

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(UN)INTENDED CONSEQUENCES OF THE BIG SOCIETY FOR SOCIAL ENTERPRISE ORGANISATIONS

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ABSTRACT

This paper draws upon institutional and legitimacy theories to consider whether the Big Society may lead to unintended consequences for social enterprise organisations (SEOs). Policy pressures are forcing not-for-profit organisations (NFPOs) to become more business-like through the social enterprise model. However, in doing so, NFPOs risk 'mission drift', with their traditional roles being threatened due to capacity constraints. Moreover, there are concerns that the increasing privatisation of public services may crowd out genuine SEOs. While focusing on SEOs operating in the United Kingdom, the issues raised are also pertinent to academics and policy-makers within the Republic of Ireland.

INTRODUCTION

While the term 'social enterprise' has come to the fore more recently, defining it is fraught with difficulties. Although the literature provides a range of definitions, the concept remains pluralistic, contextual and contested. Indeed, Kerlin (2010) concluded that not only do different countries adopt alternative definitions of social enterprise, but that even broader divisions exist in terms of the understanding, use, context and policy for social enterprise. This paper contributes to this debate by discussing social enterprise in the context of the public, for-profit and not-for-profit sectors and developing two models to illustrate this. Moreover, drawing upon institutional and legitimacy theories, together with the concept of marketisation, the paper considers whether the Big Society agenda, a key tenet of the United Kingdom (UK) Coalition Government's vision for reforming public services, may lead to unintended consequences for social enterprise organisations (SEOs). With respect

to the Big Society, while there is debate about how it is operationalised, in broad terms it involves empowering communities, encouraging social action and opening up public services (House of Commons, 2012). Regarding SEOs, which are at the heart of the Big Society, these are organisations which use business to tackle social problems, improve people's life chances and protect the environment. However, as institutional theory suggests that organisations will adopt the practices of those that dominate, there is the possibility that, in time, SEOs may resemble for-profit organisations.

The not-for-profit (NFP) sector consists of a variety of different organisations.¹ In the UK, charities play a dominant role within the sector and have a long history of making a vital contribution to society, one which has been enhanced in recent years as more and more have become engaged in the design and delivery of public services. The current high esteem in which UK charities are held can, at least in part, be attributed to actions taken following a report by Bird and Morgan-Jones (1981), which identified significant failings in charity reporting that if left unchecked had the potential to undermine trust in the sector. As a result, a number of steps, both regulatory and voluntary, were taken to encourage and promote accountability within the sector. These included the development of a Statement of Recommended Practice (SORP) on charity accounting. The first charity SORP was issued in 1988, with subsequent iterations in 1995, 2000 and 2005. Other drivers include the publication of *Private Action, Public Benefit: A Review of Charities and the Wider Not-for-Profit Sector* (Strategy Unit, 2002), which called for the sector to develop greater accountability and transparency to build public trust and confidence, together with the publication/revision of charity legislation and the establishment/strengthening of regulatory bodies to oversee, promote and encourage accountability within the sector.²

In terms of the format of the paper, the next section places the Big Society in its historical context. Then, after defining the term 'social enterprise', the role of SEOs is considered and the blurred boundaries between NFP and for-profit organisations with respect to the provision of public services are discussed. After that, government policy in relation to the promotion of social enterprise is considered in the context of the Big Society and, utilising institutional and legitimacy theories, possible reasons for both NFP and for-profit organisations embracing the social enterprise model are suggested. Finally, the (un)intended consequences of the Big Society agenda for SEOs are assessed before the paper concludes.

THE RATIONALE FOR THE BIG SOCIETY

Most countries around the world recognise the importance of the NFP sector in the development and delivery of welfare provision. Since the 1980s UK governments have attempted to create more efficient markets for public goods by opening up the market for the delivery of public services to providers from the private and NFP sectors on a 'best value' basis (Newman, 2007). This process accelerated under New Labour, with a considerable expansion of government support for the sector and NFPOs being given an enhanced role in economic policy (Haugh and Kitson, 2007).

This support included major new programmes of 'horizontal' funding which aimed to provide funding for organisations across the sector, contrasting with previous policies which had often focused on 'vertical' streams linked to particular service areas (Alcock, 2011). Often referred to as the 'third way' (Giddens, 1998), this represented a step change in government support for the NFP sector and it led to an unprecedented political and economic profile for the sector (Alcock and Kendall, 2011). Although the term 'third way' lacked clarity and fell out of favour, policies associated with it included repositioning the state as a guarantor, not necessarily a provider, of public services, and emphasising mutualism, active governance and accountability (Gover, 2009). The establishment of an Office for the Third Sector³ in May 2006 marked the political acceptance, and social construction, of the NFP sector as a distinct grouping with its own identity and rationale.

While the NFP sector policy developed by New Labour is still being evaluated, it is considered to have introduced a new spirit of partnership with government leading to a new-found 'strategic unity' across the sector based on a closer commitment to policy engagement (Alcock, 2010). However, some argue that with the increased support came new problems, not least the shift towards greater use of contracts for services with all their attendant regulatory and accountability frameworks, leading to a fear that independence could be challenged by incorporation and isomorphism (Smerdon, 2009).

Since 2010, there has been a policy shift under the UK Coalition Government. This has taken the form of a new policy discourse centred on the desirability of promoting the Big Society, to be contrasted with the 'Big Government' that New Labour had supposedly advanced. This would bring about changes in the relationship between government and citizens, in particular by shifting the balance of government support for voluntary and community action. However, the danger in viewing things through a neoclassical lens that excludes the possibility of behaviour not bound by market exchange and rational choice is the risk of creating a world which loses sight of values such as reciprocity and philanthropy (Tsakalotos, 2005). Viewing NFPOs through this lens has valorised commercial revenue (Eikenberry, 2009) and, as a consequence, it is argued that NFPOs are behaving more like businesses in replacing traditional sources of revenue with commercial revenue because they are expected, or even compelled, to do so, rather than from a rational assessment of the financial and social implications (Dart, 2004; Eikenberry and Kluver, 2004).

This recognition of the NFP sector and the growing emphasis being placed upon civil society (i.e. civic engagement and involvement) and social capital (i.e. connections among individuals) are reflected in the Big Society, an ideology driven by the vision of the UK Coalition Government to redefine and transform the relationship between the state and its citizens. Indeed, it is argued that the title 'Office for Civil Society' (rather than 'Third Sector') is consistent with the broader concept of a Big Society. Although, perhaps unlike the term 'third sector', the notion of a 'civil society' is more of a theoretical idea rather than a way of classifying organisational forms (Evers, 2010).

In May 2010, at the launch of the Big Society programme, the UK Coalition Government announced that social enterprise was at the heart of its reform of public

services as part of the Big Society agenda. The Cabinet Office (2010) subsequently published its strategy to support and strengthen the NFP sector so that NFPOs could realise the opportunities being made available as part of the Big Society. Specific policy initiatives include a commitment to make it easier to set up and run charities, SEOs and voluntary organisations; and giving public sector workers the right to form employee-owned cooperatives to deliver public services (Cabinet Office, 2010). In essence, the Big Society is about community empowerment (giving local councils and neighbourhoods more power to take decisions and shape their areas), social action (encouraging and enabling people to play a more active role in society) and public service reform (opening up public services to enable NFP and for-profit organisations to compete to offer high-quality services). This is reflected in the publication of the Open Public Services White Paper in July 2011 (Open Public Services and Cabinet Office, 2011), which sets out the principles on which the Coalition Government's plans for modernising services are based: increase choice, decentralise power to the lowest appropriate level, open public services to a range of providers, ensure fair access to public services, and make public services accountable to users and taxpayers. It is intended that the combined effect of these principles will place power in the hands of individuals and local communities where appropriate, with people being able to choose the type of service they want and find the best provider to meet their needs.

The Big Society is not a new concept. For example, notions of social action and community empowerment can be traced back to Edmund Burke, an Irish philosopher and politician, who arguably personifies the philosophy and spirit of the current UK Coalition Government. While Burke was not an enemy of the state, he was passionately opposed to the idea that the state had a 'carte blanche' on which a supposedly rational government could scribble whatever it wished. Although Burke never used the term 'Big Society', its principles are present in his *Reflections on the Revolution in France*: 'to be attached to the subdivision, to love the little platoon we belong to in society, is the first principle (the germ as it were) of public affections' (Burke, 1790). Burke believed that by providing a focus for allegiance and affection, and strengthening our sense of belonging, the 'little platoons' help us to know who we are and what is expected of us. The potency of his views is encapsulated in his belief that 'society is indeed a contract [It is] a partnership not only between those who are living, but between those who are living, those who are dead, and those who are to be born' (Burke, 1790).

Indeed, the commitment to open up public services to mutuals and cooperatives links the Big Society to the cooperative movement, first established in Rochdale in 1844 (House of Commons, 2012). Consistent with the views expressed by Burke, Co-operatives UK (2010, p. 3) believes that 'what makes the co-operative approach important is that it's a way of doing things that makes it possible to harness the drive human beings have to achieve their goals by acting together.' The Big Society has also been linked to social action in alienated communities in 1930s Chicago, where the aim was that poor local communities would generate power and build relationships through their own leadership and setting their own agenda.

The current Big Society project also has roots in the theory of social capital, most notably espoused by Putnam (1995, p. 69) who argues that declining memberships

in civic institutions such as bowling leagues, the League of Women Voters and the Boy Scouts have led to a weakened civil society and the development of 'a widespread tendency towards passive reliance on the state'. While Putnam's work is not without criticism (Tarrow, 1996; DeFilippis, 2001; Patulny, 2004), the broader social significance of this, Putnam argues, lies in the social interaction and civic conversations over beer and pizza that solo bowlers forgo. A weak civil society means less 'trust' in each other and consequently a less vigorous democracy, as evidenced in declining electoral turnouts. In contrast, Putnam believes that greater engagement in the local community has wider benefits for society.

Norman (2010) links the Big Society ideals with the work of Michael Oakeshott, an English philosopher and political theorist, who identified two competing types of society or human relations: civil association and enterprise association. In the latter, individuals are related by their agreement to cooperate in pursuing some substantive end, for example, to make money by selling a product. In contrast, members of a civil association have no such common goal; they are connected by their recognition of a body of law that delimits the acceptable means through which they can pursue their own, diverse goals. Oakeshott supported those who advocated that the role of the state was to promote civil association.

David Cameron, before he became Prime Minister of the UK Coalition Government in 2010, outlined his theory of the Big Society, and why it was his answer to a 'broken society'. In his speech to the Conservative Party Conference in October 2009, he stated, 'So no, we are not going to solve our problems with bigger government. We are going to solve our problems with a stronger society' (Cameron, 2009a). Further details emerged in Mr Cameron's Hugo Young lecture in November 2009, when he called for 'state action' to make the Big Society project a reality: 'Our alternative to big government is not no government Our alternative to big government is the Big Society' (Cameron, 2009b).

SOCIAL ENTERPRISE ORGANISATIONS: BLURRED VALUES AND BOUNDARIES

The term 'social enterprise' is wide-ranging and can capture equally well organisations that seek to create employment opportunities for people with learning difficulties or mental health problems, regenerate disadvantaged areas, or resemble large commercial organisations whose surpluses (however defined) are distributed for social benefit. In simple terms, SEOs are organisations driven by a social and/or environmental mission, and they are becoming an increasingly important feature of the public policy landscape both in the UK and internationally (for a discussion of the key concepts of social enterprise, see Teasdale (2010a)). In different countries the social enterprise model has become popular with policy makers and politicians alike as it combines elements of the market, state and civil society, and appeals to interests on all sides of the political spectrum (Kerlin, 2010). For many, SEOs have the ability to offer an alternative approach and ethos to public service delivery compared with traditional for-profit and public sector organisations. Indeed, seen as a solution to many of society's failures (Nicholls, 2006), SEOs are being actively

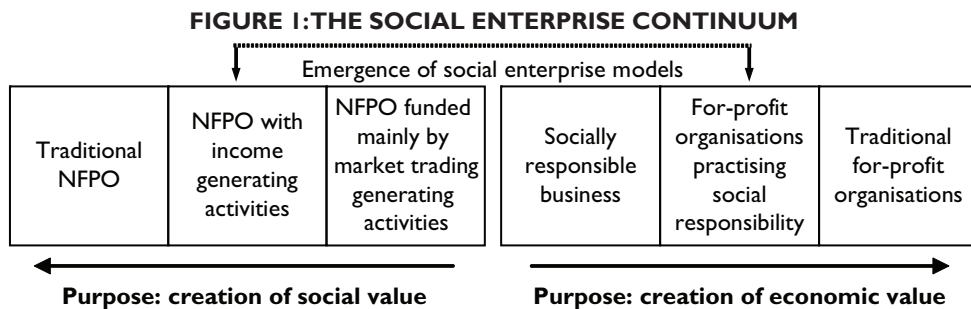
encouraged to play a greater role in the delivery of public services, examples of which can be found in the provision of leisure facilities, recycling services and health and social care provision. They reflect a new kind of organisational model, one which differs from traditional NFPOs largely because of their focus on trading. An example of an organisation that has made the transition from being a charity to an SEO is Bryson House in Northern Ireland (NI). However, unlike traditional trading organisations, its main objective is not profit maximisation for shareholders but rather the satisfaction of social needs under the constraint of economic sustainability. In the current difficult economic climate, SEOs, such as Bryson House, play a pivotal role in economic regeneration, social inclusion and the delivery of public services.

While the exact scale and scope of social enterprise is a matter of debate, partly due to definitional issues (see below), it is estimated that there are approximately 62,000 SEOs in the UK, contributing £20 billion to the economy and employing over one million people (Social Enterprise Coalition, 2011). Under the Big Society agenda, the SEO model is being promoted as a blueprint for organisations to generate economic value in a manner that serves a social purpose. With the UK government seeking to open up public sector procurement, SEOs can play a vital role in delivering critical public services and driving forward economic regeneration. For example, KPMG was commissioned by government to undertake an evaluation of the NI social economy. Among the recommendations of the KPMG (2011) report was that the strategy for the social enterprise sector should be an integral component of the overall NI economic strategy. Furthermore, in 2012, the Department of Enterprise, Trade and Investment (NI) and the Department of Social Development (NI) appointed a firm of consultants to undertake a scoping exercise on the size and scale of the NI third sector and to assess the potential of community and voluntary organisations making the transition to the social enterprise model. The final report was published in January 2014 (Murtagh, Goggin and McCrum, 2014).

Peattie and Morley (2008) suggest that SEOs are distinguished from other organisations by two attributes: the primacy of their social aims, and their trade in goods and services in the market place. These attributes are clearly evident in the definition adopted by the Social Enterprise Coalition (2011), the UK's representative body for SEOs, which refers to an SEO as a business that trades for social and environmental purposes. Similarly, the Department of Trade and Industry (2002, p. 7) defines an SEO as 'a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners'. This means that an SEO does not exist for the primary purpose of creating shareholder profit, but rather reinvests its surplus to achieve a specified social aim. As the primacy of the social mission over all other organisational objectives is key, this enables the inclusion of NFP and for-profit organisations with social objectives as SEOs.

Traditionally, it is perceived that NFPOs are responsible for creating social value and for-profit organisations for creating economic value (Figure 1); social enterprise brings together these dichotomies, integrating social interest and market systems to create both social and economic value. Therefore, for many organisations,

particularly those with roots in the NFP sector, the adoption of the social enterprise model is viewed as a strategy to diversify their funding base, decrease reliance on donors and recover costs of social programmes. One way of presenting NFP and for-profit organisations is to consider them at opposite ends of a continuum with SEOs falling somewhere in between (Dees, 1998). Figure 1, which illustrates the drift from traditional NFP to for-profit organisation and vice versa, locates SEOs on the social value side of the continuum, more aligned to the values of NFP than for-profit organisations. In this context, SEOs are ‘hybrids’ choosing from a range of social and economic activities and utilising various organisational forms.



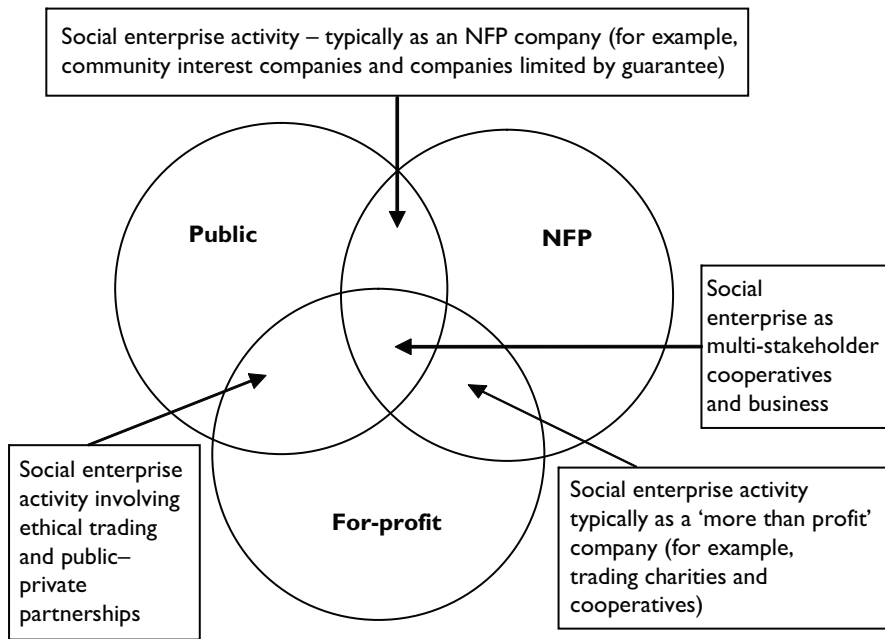
Given the promotion of the social enterprise model by government for ‘its effective delivery of public services and for making NFPOs more financially self-reliant’ (Hardy, 2004, p. 39), it is conceivable that NFPOs are being driven towards the economic end of the continuum. However, Defourny and Nyssens (2006) highlight the tensions that can arise when organisations try to balance an NFP ideology with a market mindset, while Dart (2004) describes social enterprise as a ‘blurring’ between the NFP and for-profit sectors. Indeed, the debate about developing a more business-like perspective and moving to an SEO model is becoming an increasingly salient issue for NFPOs, particularly with donation and grant income being reduced in the current economic climate and the subsequent need to develop alternative sources of income.

At the present time, governments require innovative solutions to address growing pressures such as the ageing society, climate change and the rise of lifestyle-related long-term health conditions. Within the public sector, encouraged by New Public Management ideas (Hood, 1995), social enterprise models are being promoted to deliver public services with both NFP and for-profit organisations being attracted towards such opportunities. This fits with the idea of the state taking on a role of enabler rather than a direct provider of public services and, because of its institutional features, the social enterprise model opens up new productive opportunities which are best suited to the supply of quasi-public and meritorious goods. For example, because of their objective of combining social values with trading, SEOs can create trust with customers, thereby reducing the costs of contracts linked to asymmetric information. The public benefit nature of these organisations facilitates the spread of benefits beyond mere market transactions to weak groups and the community at large. Many of these ideas have their roots within the ideology

of the Big Society where social enterprise is increasingly seen as a key part of the reform of public services.

If the continuum (Figure 1) is broadened to explicitly incorporate a public sector dimension (Figure 2) SEOs can be considered to have developed across the NFP, for-profit and public sectors in many forms (for example, trading charities, development trusts and social firms) (Pharoah, Scott and Fisher, 2004; Ridley-Duff, 2008). A different type of SEO exists at each cross-section, with the ideal type being located at the crossover point of all three sectors.

FIGURE 2: CROSS-SECTOR MODEL



Indeed, Nicholls (2006) limits 'social enterprise' to the point where all three sectors overlap. The advantage of placing SEOs within a 'lumpy' landscape (Aiken, 2006) is that the cross-sector model promotes an understanding not only of likely trading activity but also of the ambiguity, origins, ethos and characteristics of social enterprise activity (Pharoah et al., 2004; Seanor and Meaton, 2007).

Given the blurring of the boundaries between the three sectors and responsibility for public service delivery, there is a danger the social enterprise movement will be hijacked by traditional for-profit organisations jumping on the social enterprise bandwagon. Indeed, one of the final acts of the Labour administration before the 2010 general election was to widen the social enterprise construct to incorporate mainstream businesses with a social conscience (Teasdale, 2010b). Moreover, the broader title of Office for Civil Society (see earlier), rather than the more clearly defined Office for the Third Sector, perhaps illustrates a desire to blur the boundaries between sectors to provide a larger space for the Big Society and social enterprise to develop. In fact some, including Harding (2010), are promoting a move in the UK to

recognise mainstream for-profit businesses as social enterprises, with the risk being that, as the policy construct develops, any defining characteristics are reduced to trading for a social purpose (Peattie and Morley, 2008).

TOWARDS LEGITIMATION OF THE SOCIAL ENTERPRISE MODEL FOR PUBLIC SERVICE DELIVERY

The capitalist system is under enormous pressure and for-profit organisations are increasingly being viewed as a major contributor to social, environmental and economic problems. The social contract with business is in a state of flux and questions have been raised over the 'legitimacy' of business which is perceived as having a narrow short-term financial performance focus. Friedman's (1962) influence and the ideology of shareholder value reinforce each other and cater to only one constituency – shareholders. Friedman contends that neither should government be the patron of an individual, nor should that person consider themselves a servant of the government. He argues that, in a real democracy, the nation exists only for the will of the people and that government is a means towards an end, nothing more. Making a clear connection between economic freedom and political freedom, Friedman asserts that free markets are not a luxury but the very basis of personal and political liberty.

In contrast, Porter and Kramer (2011) argue that traditional for-profit organisations must reconnect with society in order to develop a principle of 'shared value', which involves creating economic value in a way that simultaneously creates value for society. In this respect, CEOs, because they are not constrained by narrow short-term traditional managerialist objectives, are ideally placed to deliver profitable solutions to social problems. Therefore, the Big Society and its promotion of social enterprise could be a means by which for-profit organisations regain legitimacy. Porter and Kramer argue that business and society have been pitted against each other for too long, in part because neoclassical economists, such as Friedman, have legitimised the idea that to provide societal benefits, companies must temper their economic success. They believe that a company's social responsibility happens through the sustained success of business activities that simultaneously generate business and social value. Indeed, Chang (2011, p. 252), referring to the recent financial crisis, suggests that the fundamental theoretical and empirical assumptions behind free market economics are highly questionable, although Aakhus and Bzdak (2012) question whether the shared value concept has progressed much beyond the 1950s' mantra that 'what is good for business is good for society.'

Based upon the previous discussion, and as illustrated in Figures 1 and 2, NFP and for-profit organisations may seek to legitimise their activities by aligning themselves with the values of social enterprise. In attempting to understand the emergence of social enterprise as a new organisational form within the NFP and for-profit sectors, institutional theory is a useful framework to help understand the social enterprise domain. Institutional theory is concerned with exploring the way an organisation relates to its environment, and its reasons for adopting certain structures, cultures, routines and practices (Scott, 1995). Organisations find value

in compliance with institutional expectations, because through such compliance they receive the prestige, stability, access to resources and social acceptance they require in order to survive (Meyer and Rowan, 1977). As the social enterprise model evolves there is likely to be more emphasis on market orientation for income generation, with a normative ideology surrounding market-based solutions becoming pervasive in the thinking and management of NFPOs (Eikenberry, 2009).

Indeed, in the 2010 Queen's Speech, the UK Coalition Government pledged to support the growth of social enterprises, open up public sector markets and enable public sector workers to form employee-owned cooperatives. Then, in February 2012, the Public Services (Social Value) Act was passed, requiring all public bodies in England and Wales to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area. The core aim of the Act is to ensure that government and local authorities publish strategies to promote and enhance social enterprise. While NFPOs and SEOs are those most likely to benefit since they already explicitly work to create social value, for-profit organisations can be expected to bid for public service contracts and demonstrate similar social credentials. However, Edwards (2008, p. 49) argues strongly that marketisation 'has the potential to endanger the most basic value of the NFP sector – availability of "free space" within society for people to invent solutions to social problems and serve the public good'.

There are wider societal pressures at work within the for-profit sector which are casting doubt on the appropriateness of the traditional shareholder value model. Thus, for-profit organisations may seek legitimacy by moving towards social enterprise (Figure 1). Rather than view the NFP sector as a rational response to failures in the market or state (Salamon, 1995), institutional theory offers explanations for the emergence of social enterprise that are more sociological. Changing societal expectations in terms of delivering goods and services in a more sustainable way has become a powerful force for paradigm change in how the distinction between for-profit and NFP sectors is viewed. Indeed, it could be argued that the Big Society agenda will encourage NFP and for-profit organisations to become SEOs, arguably for different reasons. In the context of institutional theory analysis of SEOs, Dart (2004, p. 415) noted:

From an institutional perspective, legitimacy is ... the means by which organisations obtain and maintain resources ... and is the goal behind an organisation's widely observed conformance (or isomorphism) with the expectations of key stakeholders in their environment.

The institutional legitimacy perspective emphasises sector-wide dynamics that are beyond the purposive control of any single organisation. On this basis, managers will react to changes in their environment to make their organisations respond (conform) to societal expectations. This can promote organisational legitimacy (in for-profit organisations) and bring further benefits in terms of additional resource streams (for NFPOs). Clearly, for SEOs, the establishment and maintenance of credibility and trust with a wide range of stakeholders is critical to their right to operate. In addition, the social enterprise model could enhance organisational legitimacy because it enables access to resources and gives certain stakeholders

social acceptance. Indeed, the government may find these organisations legitimate because they offer innovative solutions to social problems and may indicate that the Big Society is also about legitimising funding cuts.

In the context of SEOs, Dart (2004) highlights three levels of legitimacy: pragmatic, moral and cognitive. Pragmatic legitimacy involves external stakeholders asking the questions, what am I getting from this organisation and does it meet my expectations? In contrast to pragmatic legitimacy, Suchman (1995) suggests moral legitimacy is based on normative estimations of whether an organisation fits accepted societal frameworks of behaviour or not. In effect, moral legitimacy is accorded to SEOs that mimic free market models because of the acceptability of the ideological principles associated with social enterprise. With respect to cognitive legitimacy, it is unthinkable for the organisation to be anything other than what it is. On this basis, an organisation is legitimate because it is accepted or taken for granted that its intentions are noble. Arguably this applies to well-known NFPOs, with institutional theory supporting the notion of organisations seeking to achieve this form of legitimacy.

DiMaggio and Powell (1983) identify three mechanisms through which institutional isomorphic change occurs, each with its own antecedents: (a) coercive isomorphism that stems from political influence and problems of legitimacy. This type of isomorphism results from the formal and informal pressures exerted by other organisations on which organisations are dependent and by cultural expectations in the society in which the organisations operate; (b) mimetic isomorphism resulting from standard responses to uncertainty; and (c) normative isomorphism associated with professionalisation and norms that are both internalised and imposed by others (Scott, 1995). Moral legitimacy is therefore closely associated with isomorphic pressures from society and other key stakeholders to which managers often conform. In other words, moral legitimacy reflects a type of mimetic isomorphism that leads to SEOs copying established business practices.

Within the for-profit sector a form of coercive isomorphism can be observed, as evidenced by the questioning of the traditional maximisation of shareholder value model. The legitimacy of for-profit organisations has been questioned and change is being imposed, albeit slowly, by societal expectations and powerful political and academic voices. According to Porter and Kramer (2011), corporations are now being coerced into adapting new business practices which better connect with and meet social expectations. It may be the case that, in terms of reporting and evaluating performance measures such as social return on investment, the for-profit sector may itself begin to emulate, over time, the practices operated by successful SEOs. Of course, it may be that these organisations are putting in place particular processes purely to impression manage certain aspects of legitimacy, as being perceived as an SEO may enhance organisational legitimacy and bestow more favourable treatment from funders and customers (Teasdale, 2010a). In other words, the resulting institutional image can sometimes be more apparent than real.

Recent developments in terms of the Big Society (together with government spending cuts) have increased the ambiguity surrounding the identity of organisations that operate within the NFP sector. It could, however, be argued that SEOs bring with them a moral legitimacy that belies the need for mimetic behaviour, even

in a period of instability and uncertainty. Therefore the focus on being part of the Big Society and obtaining legitimacy may result in both NFP and for-profit organisations converging towards the social enterprise model for very different reasons.

(UN)INTENDED CONSEQUENCES

Although the literature provides a range of definitions of what social enterprise is (Defourny and Nyssens, 2006; Peattie and Morley, 2008), the concept remains contentious. It is within this context that this paper explores the (un)intended consequences of the Big Society for SEOs and their implications for policy makers. To date, there has been little attempt within the academic literature to connect organisational theories with major policy pronouncements in the context of SEOs. This paper contributes to the theoretical debate by utilising institutional and legitimacy theories to consider whether the policies designed to deliver the Big Society values may lead to unintended consequences for SEOs.

As discussed earlier, there is ambiguity as to what the term 'social enterprise' actually means and a lack of understanding of the organisational model. This, in combination with the blurring of the boundaries between the NFP, for-profit and public sectors, has resulted in the social enterprise construct becoming a force for change by which both NFP and for-profit organisations can attempt to gain and maintain legitimacy. The Big Society is arguably the first signal by the UK Coalition Government of its belief that the current relationship between the state and the market has failed. However, the Big Society agenda has significant unintended consequences for SEOs involved in the provision of public services. These include the risk of mission drift, the blurring of accountabilities for public services and the crowding out of social enterprise and NFPOs. Each of these is now discussed.

Risk of Mission Drift

Neither side of the public-private partnership appears able to provide all the public services required in modern society, with the consequence that NFPOs are being asked to fill this void. Also, policy pressures, including the contracting out of public services, are forcing NFPOs to become more business-like and generate income through the social enterprise model. However, in doing so, these organisations risk 'mission drift' in terms of their public benefit objectives. Furthermore, if NFPOs move away from their traditional role questions arise as to whether the traditional public benefit functions provided by NFPOs will be threatened due to capacity constraints. Cairns, Harris and Young (2005) draw attention to the challenges of building capacity in NFPOs as they are drawn ever more closely into the delivery of public services. These include maintaining organisational distinctiveness and independence, together with developing the necessary skills for both new services and determining organisational strategy.

SEOs are central to the UK Coalition Government's plans for public reform and the creation of the Big Society. The widescale reductions in public expenditure in the UK and Republic of Ireland present both opportunities and challenges for SEOs. For example, as a result of policy initiatives designed to encourage a greater role

for SEOs in providing mainstream public services, the boundaries between SEOs and other types of organisation have become increasingly blurred. The government's widespread use of NFPOs to deliver a growing variety of public services has raised questions about the continuity and sustainability of the NFP sector in its current form and has led to calls for greater accountability. The evolving role of the state from provider to enabler has increased calls for NFPOs to report information about their performance (outputs and outcomes) to facilitate benchmarking of costs and effectiveness. Eikenberry (2009) warns of the risks for NFPOs of being colonised by the market and suggests that adopting the discourse of the market will not encourage more deliberate or participatory democracy in NFPOs. Moreover, there is a danger that the pressure to formally discharge accountability externally may discourage traditional NFP sector supporters and volunteers from embracing the social enterprise concept and the Big Society agenda.

Blurring of Accountabilities for Public Services

Policy pressures for change within the NFP sector through increased use of the social enterprise model is a key feature of the Big Society agenda. However, there are strong counter-pressures on NFPOs to resist change, safeguard their distinctive characteristics and defend their organisational boundaries, especially as there is a danger that established NFPOs become junior partners with for-profit organisations in the provision of public services. There is a real possibility that as NFPs and for-profits converge a blurring of accountabilities for public services will begin to occur. Such lack of clarity becomes more problematic if service provision is fragmented (which might easily occur if one neighbourhood's priorities differ from those of another) or the service providers fail, thus calling into question the subsequent role and responsibilities of the state. Moreover, while the Open Public Services White Paper promises accountability through choice and decentralisation, the mechanisms required to achieve this could mean multiple layers of audit, inspection and oversight. In addition, the perceived enthusiasm for direct, local involvement may prove unrealistic, particularly in the longer term.

Crowding Out of Social Enterprise and Not-for-Profit Organisations

The for-profit sector cannot be divorced from discourses on the Big Society since it encourages for-profit organisations to engage more fully with society and government. At a point when the reputation of for-profit organisations is at an all-time low, they are being pushed to integrate social issues into their business strategies and put the same focus into social issues as they do brands and customers. At the same time as the Big Society is promoting a much bigger role for SEOs in the delivery of public services, legitimisation pressures, augmented by the current financial crisis, are leading for-profit organisations to be more overtly socially responsible. However, there is a real risk that these organisations will crowd out genuine SEOs in terms of capacity and financial resources and the Big Society idea will be dominated by Big Business. On the other hand, if for-profit organisations do not genuinely engage with social enterprise, this may not only damage their longer-term reputation in the eyes of salient stakeholders but also the concept of social enterprise.

Alcock (2010, p. 384) suggests that the use of NFPOs to compensate for reduced welfare spending is predicated on the assumption that public welfare provision has 'crowded out' voluntary action. Bubb (2010) argues that detailed policy planning is required for the Big Society to move from romanticism to reality. Although the Big Society, as a model of social change, is presented as a solution to the problem of both 'corporate' and 'moral' decline, together with the inflexibility of 'big government', it could be argued that what government is really intent on doing is reducing the size of the public sector. Furthermore, the strategic unity of the NFP sector is being formally challenged as discourse moves to ideas around the Big Society and, as critics from the NFP sector have pointed out, there is a serious risk that in the new 'volunteer society' people in disadvantaged communities will become even more marginalised since they are unlikely to have the personal and financial resources necessary for volunteering. Arguably, transforming lives through transforming communities requires more resources. For some, the expansion of social enterprise into mainstream services is an important part of the policy of reducing the role of the state in direct service provision. For others, this will lead to the fragmentation of service provision, an over-reliance on for-profit providers, the undermining of trade unions and central bargaining, and a reduction in public accountability for those services.

CONCLUSION

Consistent with the concepts of social action and civil society advanced by Burke (1790), there 'is a challenge to build the "little society", rather than the "Tesco" type organisations that are skilled at tendering' (House of Commons, 2012, p. 7). The private sector is expected to play a major role in generating economic recovery, and there is a need to forge new relationships between NFP and for-profit organisations in order to achieve the Big Society vision. This will need to extend far beyond current corporate social responsibility into genuinely meaningful partnerships based on new (and old) ways of working. As a way forward, the formation of new social-private partnerships might facilitate the scaling up of operations and attract additional sources of finance. Such a hybrid, partnership-based relationship could harness the best of the for-profit sector to underpin a substantial expansion of social enterprise activity aimed at delivering significant social and environmental objectives. For some SEOs there will be a fear of losing independence or being pushed aside once a contract is won. As boundaries become increasingly blurred between the NFP, for-profit and public sectors, the time may now be right for the coming together of these sectors to deliver public services. To do otherwise will seriously undermine the ethos underpinning the Big Society and, instead of protecting and enhancing the delivery of public services, proposed public sector reforms will create an unequal playing field in which SEOs are unable to compete with large private-sector providers masquerading as socially responsible businesses. Moreover, there is a danger that under the Big Society agenda SEOs will become agents of public policy, subject to targets and incentives, and therefore an extension of the state.

NOTES

- ¹ The distinction between a not-for-profit organisation (NFPO), non-governmental organisation (NGO) and a charity is often imprecise (Vakil, 1997; Martens, 2002). In broad terms, a NFPO (also referred to as a non-profit organisation) is an organisation that does not distribute its surplus funds to owners or shareholders, but instead uses them to help pursue its goals. NFPOs include NGOs and charities. While most governments and their agencies meet the definition of a NFPO, they are usually considered a separate type of organisation and not counted as NFPOs. An NGO is a non-profit, voluntary group. NGOs perform a variety of services and humanitarian functions, bring citizens' concerns to governments, advocate and monitor policies, and encourage political participation through provision of information. A charity is a NFPO that meets stricter criteria regarding its purpose and the way in which it makes decisions and reports its finances.
- ² For a fuller discussion on the UK charity sector, including its size and issues associated with accounting, accountability and governance, see Connolly, Hyndman and McConville (2011) and Connolly, Dhanani and Hyndman (2013).
- ³ Renamed the Office for Civil Society following the 2010 general election, with responsibility for charities, social enterprises and voluntary organisations in the Cabinet Office.

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FINANCIAL MANAGEMENT SKILLS IN SMALL TOURISM BUSINESSES: AN EXPLORATORY STUDY

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ABSTRACT

Many Irish tourism enterprises are family-owned micro businesses, sometimes in peripheral locations, with a people and lifestyle focus, so they may be vulnerable financially. Therefore, this research paper aims to diagnose the level of financial management capability in twelve owner-managed activity centres, restaurants and accommodation businesses, using interpretive exploratory interviews.

The research literature defines capability to include intrinsic awareness, prior training and business experience of the owner-manager, together with the use of information systems and support from external advisers. Empirical findings confirm gaps in competencies across the sample group. Suggestions are made for the external accountant to mentor improvement in financial capability through non-compliance services via local networks.

INTRODUCTION

Tourism encompasses a range of activities, including accommodation, activities, visitor attractions, food and drink, festivals and transport. The direct contribution of travel and tourism to gross domestic product (GDP)¹ in Ireland in 2012 was €3.6 billion, contributing 42,000 jobs directly in 2012 (World Travel and Tourism Council, 2013, p. 3). This paper presents the findings of exploratory interviews at twelve locations in the Irish tourism industry, covering owner-managed activity centres, restaurants and accommodation. Due to time constraints, only an hour of interview time was granted at the case sites, as a result of which a full case study

approach was not possible. Instead, exploratory interviews were feasible with some brief description of each business and its founders.

The background to the study is set out through examination of relevant reports of Fáilte Ireland,² the Chartered Institute of Management Accountants (CIMA) Ireland, the Association of Chartered Certified Accountants (ACCA) and professional bodies representing small firms, with additional commentary provided by key informants working in the industry. Moving to the literature review, the issues facing owner-managers are considered and the competencies they require are identified. Next, the research objectives are set out and the associated research questions formulated. The main research objectives (RO) articulated after the study context and literature review were:

RO1: To explore the training and qualifications, financial management awareness and prior business experience of owner-managers and their participation in Tourism and Learning Networks (TLNs).

RO2: To examine the information systems currently in use to run the business, together with approaches adopted by owner-managers in managing risk, and to identify any gaps in these compared to best practice.

RO3: To examine the degree of interaction with external accountants and the satisfaction levels of owner-managers with this support.

The methodology of the study and choice of case sites in the fieldwork are then described. Interview findings follow, with the results for each research question being discussed. Some recommendations for improved support for owner-managers are identified. These relate to the need to improve the financial management capabilities of owner-managers in the tourism sector and the under-utilisation of non-compliance services from these accounting practices.

STUDY CONTEXT

The European Commission (2011) standardised the definition of small and medium-sized enterprises (SMEs), due to member states having individual definitions of what constituted European SMEs. Three broad parameters emerged: *micro* entities have up to 10 employees; *small* companies employ up to 50 workers; and *medium-sized* enterprises employ up to 250 employees. Quinn and Crean (2012, p. 35) note that in Europe, SMEs have surpassed 'larger enterprises in terms of employment growth' and 'their significance is on an upward spiral'. The Irish Small and Medium Enterprises Association (ISME) made a strong case for the indigenous SME sector in its pre-budget submission for 2010:

It should not go unnoticed that SMEs have consistently demonstrated that, if provided with the right economic conditions, they have the ability to deliver us out of the current economic situation as employment and wealth creators (Irish Small and Medium Enterprises Association, 2009, p. 15).

In the Irish services sector, of which tourism is a part, almost all (98 per cent) enterprises are small (Central Statistics Office, 2008, p. 6). There are over 82,100 small enterprises in this sector, of which almost half (47 per cent) are family owned, with most employing fewer than ten people. In relation to the Irish tourism sector, Duffy (2007) reports that the majority of firms are SMEs and in many cases are micro family-owned enterprises. Ten of the twelve case sites in this study were micro tourism firms. Morrison and Teixeira (2004, p. 167) discuss the traditional image of small tourism businesses as one where the maintenance and protection of a certain 'lifestyle' would be prioritised over a commercial focus on profit maximisation, further highlighting the need for training. Because of this lifestyle preference, as well as their small size and sometimes peripheral location, many small and micro tourism firms are financially vulnerable and ill-equipped to face their many challenges, which are now discussed.

THE CHALLENGES FACING IRISH SMES

The people in tourism businesses are vital, as these businesses are essentially hands-on and provide an experience for a guest in a hotel, a diner in a restaurant or a sports enthusiast on an activity holiday. The right training is vital for the owner-managers:

The story of successful tourism enterprises is one that is largely about people ... how they are trained and educated, how they are valued and rewarded, and how they are supported through a process of continuous learning (Fáilte Ireland, 2005, p. 8).

In Ireland, SMEs tend to make poor use of information technology (IT) (Central Statistics Office, 2008, p. 7), with 'large enterprises ... more than four times as likely as small ones to use ICT to manage orders'. IT is required to cope with online bookings, currently accounting for 56 per cent of all bookings in the Irish hotel industry, with many hotels up-skilling in digital marketing in 2013 (Allied Irish Banks, 2013).

In her article, O'Sullivan (2009) quoted Denis McCarthy, CIMA Ireland's Divisional Director, who has called for an infusion (into SMEs) of highly skilled graduates, some of whom should be accountants, but all of whom must have a diverse skill set, who can add value by bringing with them increased versatility, fresh insights, specialist expertise and compliance-based qualifications.

Morrison and Teixeira (2004, p. 167) discuss the traditional image of small tourism businesses as one where the maintenance and protection of a certain 'lifestyle' is prioritised over a commercial focus on profit maximisation. Caeman Wall, Head of Research at Fáilte Ireland, recently noted that:

... traditionally financial skills have not been strong in the hotel industry, simply because people skills matter more in terms of customer experience (cited in Allied Irish Banks, 2013, p. 15).

First reported by Irvine and Anderson (2004, p. 234), the phrase 'fragility of smallness' was used by Morrison and Conway (2007) to describe the financial vulnerability

of small Scottish hotels in peripheral locations, faced with the competitive threat of an influx of budget hotels.

Similarly in Ireland, Murphy (2008, p. 62) notes the introduction of branded hotels into 'an industry that traditionally comprised smaller, family-run businesses'. Between 2004 and 2008, overall capacity increased by 34 per cent, from 45,000 to 60,000 bedrooms (BDO, 2013) with indications of the room stock being infiltrated by national chains (roughly 12 per cent) and international chains (10 per cent), with the balance coming from independent hotels (Allied Irish Banks, 2013, p. 7).

This development poses challenges for smaller hotel operators, calling for greater financial management awareness. Similar concerns apply to the Irish restaurant industry, which employs 64,000 people, contributing about €2 billion annually to the Irish economy and comprising a large number of owner-operated SMEs, as 'a vibrant restaurant sector is crucial to a successful tourism "product"' (Restaurant Association of Ireland, 2009, p. 2).

FINANCIAL CAPABILITY OF OWNER-MANAGERS

The Association of Chartered Certified Accountants (2012, p. 6) defines financial capability as comprising three levels of competency: business planning, management reporting and employment of financially trained staff. Given the scarce research literature on financial management in owner-managed Irish tourism businesses, these issues were discussed by the researcher with senior managers of Fáilte Ireland at orientation meetings (where the researcher met to fine-tune the research objectives and seek approval of the case sample) and with eight additional key informants (KIs) (referred to as KI/1 to KI/8), before the empirical work commenced. The backgrounds of these KIs are detailed in Appendix I.

At one of the orientation meetings, the Director of Strategic Development at Fáilte Ireland commented that 'while many small hoteliers are articulating a vocabulary that is connected with financial metrics, they have impoverished financial literacy'. One key informant (KI/8) commented on the tendency for SME hotel managers to manage intuitively, and, to a large extent, to neglect planning, preferring to interact with customers:

Managers are happier reacting, rather than being pro-active ... so they don't find sufficient time for planning Planning is low in the order of priorities ... that, I think, is the fundamental weakness (emphasis added).

The view of another Fáilte Ireland senior manager concurred with this, noting that management time is taken up with crisis issues and so there is no time to plan forward. Pat McCann, CEO of Dalata Hotel Group, also commented on the weakness:

There is a need for hoteliers to up-skill their finance skills - many still do not produce regular P&L reports (cited in Allied Irish Banks, 2013, p. 14).

Caeman Wall, Head of Research at Fáilte Ireland, recently commenting on the hotel sector, noted:

Fáilte Ireland and others have been focussed on up-skilling the sector in relation to business planning and financial management. But there is still some way to go (cited in Allied Irish Banks, 2013, p. 15).

It is necessary to inquire further into the financial management information/management reporting systems in use internally and the support from the in-house finance function/external accountant.

INFORMATION SOURCES FOR OWNER-MANAGERS

Irish evidence (as noted in KI comments below) shows that small businesses tend to simply prepare and use financial accounts which are past-oriented and lack predictive information. When the firm is run on this basis, the Fáilte Ireland senior manager (cited earlier) commented, 'it is effectively like managing performance, while looking through a rear-view mirror.' The internal systems are often limited in analytical content, with KI/6 commenting, 'top-line revenue and profit but little analysis in-between'. KI/2 observed: 'A lot of them are very cost conscious, but not as conscious of profitability.'

The Need for External Support for Owner-Managers

In a similar vein, KI/1 commented on 'the need for IT support - accountancy that is relevant and makes immediate impact'. A representative of the Irish Hotels Federation (KI/3) also mentioned the lack of time available to the owner-manager to do the books. KI/3 highlighted the lack of internal accountants in small (<80 bed) hotels, which instead employ a bookkeeper, 'who would have a set way of compiling information'. The outside accountant, he commented, 'typically does the VAT and PAYE returns and the audited accounts', an observation echoed by KI/2, a hotel industry accounting consultant. KI/5, who manages the online Business Tools website for Fáilte Ireland, observed that 'one of the weaknesses of the industry generally is that, due to size, small hotels wouldn't have an in-house accountant.' Finally, another senior Fáilte Ireland manager, who commissioned the *Food Cost Report* (HBC, 2009) study (carried out by KI/4), commented on the need for the accountant to understand the culture of the restaurateur:

Accountants need to be talking the right language - also the restaurateur needs to be able to talk in the language of the accountant, such as cost per meal efficiency levels - can you get more from what you are putting in?

To summarise, this backdrop to the research serves to establish that micro tourism businesses within the SME sector make a valuable contribution to both the overall Irish economy and to tourism. However, questions need to be asked as to the competencies of owner-managers in running these businesses, the gaps in the information systems they use and their need for better support from their external advisers, particularly accountants.

LITERATURE REVIEW: SME CHALLENGES

The relatively small size of SMEs gives rise to certain challenges, some of which are now considered.

Financial Management Skills and Practices and the Role of Networks

Kearney and Lavin (2005), assessing the key competencies required by six Irish owner-managers for business success, concluded that the *owner-managers* were central to the strategic success of any SME. Hannon and Atherton (1998) identified the need for specific competencies in the areas of financial management, business continuity, human resources, training and general management. However, due to their small size and limited in-house talent employed, these skills can be missing in many SMEs (Blackburn and Jarvis, 2010). As a result, the owner-manager compensates by frequently seeking external advice and support. In turn, these gaps in competencies hinder the sustainability of the firm.

Turning to financial competencies, in a survey based in the United Kingdom (UK), Burgess (2007) addressed hotel controllers regarding the sufficiency of the financial skills of hotel managers to manage their areas. The controllers acknowledged that, while operational managers (running individual hotels in the chain) were good at customer care, there was a need for them to develop financial skills. Perren, Berry and Partridge (1999) concluded:

... that owner-managers move from informal methods of financial management and decision-making to more formal methods as their businesses develop (cited in Deakins, Logan and Steele, 2001, p. 17).

Collis and Jarvis (2002) have noted that owner-managers of small companies in the UK rely on two external sources of information – the bank and the external accountant – and place a lot of reliance on cash management and the management of their relationship with the bank. Also, they do not tend to produce their own in-house financial management information.

The financial management practices of owner-managers have been studied over a long period by Deakins et al. (2001), whose important research is now summarised. Their evidence suggests ‘that the learning process in small firms is a crucial part of their evolution. The entrepreneur learns through experience’ (p. 6). Financial management practices are altered by owners in an evolutionary way; often a critical event can force change and such events can be critical in determining their learning. If the owner-manager is embedded in a network of advisers, this has significant influence on their financial management practices, with the role of accountants having strong potential to get involved in these networks, to ensure that the learning is more efficient. Policy makers were considered to have a role in facilitating such networks (such as Fáilte Ireland). Thus, networks are considered next.

As already noted, small hospitality businesses are reported to have weaknesses relating to planning for training, perceiving it to be a cost rather than an investment (Knowles, Diamantis and El-Mourhabi, 2004). Down (1999, p. 268) elaborates on *networks*, explaining that ‘small firm managers’ skills and knowledge develop

largely through their existing social relationships within their organisations and with other businesses and organisations in a network of relations.' In the small firm literature, *networks* have been noted nationally and internationally as the essential support structure in any training intervention to help entrepreneurs to learn (Kelliher, Foley and Frampton, 2009; Morrison and Teixeira, 2004).

The use of networks would appear to have a positive effect on the quality of this experiential learning (Deakins and Freel, 1998). Tourism and Learning Networks (TLNs) are a response to this reality and are organised in the regional areas by Fáilte Ireland for owner-managers of micro tourism enterprises. Kelliher et al. (2009, p. 81) report that there are '35 networks throughout Ireland'. The TLNs are focused on action-based learning, encouraging participation and interaction, with a minimum of 25 participants in each one. The Extranet is a follow-up web community set up after the TLN events have finished, whereby participants can keep in touch through online discussion groups.

Information Systems: Planning, Performance and Risk Management

The use of IT to improve the availability, frequency and ease of communication of management information for the owner-manager has been deemed essential by Collis and Jarvis (2002, p. 102). In research produced nearly ten years later, the Association of Chartered Certified Accountants (2012, p. 10) noted that during downturns, there tends to be a renewed interest in financially oriented analytics that would leverage better financial management. This demand was mentioned by a software provider when interviewed during the latter ACCA research, noting:

... numerous requests from SMEs for software improvements which provide more detailed management reports ... allowing much closer control of costs and profit margins (Association of Chartered Certified Accountants, 2012, p. 10).

Financial information systems can be past-orientated and, as a result, are flawed as they are not providing predictive information to steer the business forward. Tourism operators have a culture of greeting and serving the customer (in the front office), but also need the hard discipline of analytics (in the back office). The need to analyse and present *insights*, not just information, to the user is vital and is facilitated by business intelligence (BI) systems, bringing them to a higher level than ordinary management accounting systems, as recommended by Davenport (2006).

A typical BI 'stack' is explained by Simons (2009):

At the bottom, all info sources are collected within business transactions. The data is put into a repository and the next level is accessing it and the next level is creating flexibility around that data and the final level is information presentation.

Planning

With the owner-manager playing multiple roles, there is a consequent lack of 'thinking time' away from the day-to-day running of the business (Harris and Brander-Brown, 1998; Harris, 2011). Consequently, these businesses often operate in a reactive rather than a proactive way, neglecting planning and identification of risks. In the UK SME sector, McElwee and Warren (2000) have also noted the weak

strategic planning skills of owner-managers. Particularly in times of crisis it pays to be analytical, as Moores (2003, p. 11) observes:

In times of crisis, there is usually little investment in analysis and reflection. The meat-cleaver approach takes priority over putting the brain to work.

Performance Management

This requirement to provide *insights* rather than just information is vital in a world where, to achieve performance improvement, the business model is being squeezed all the time to generate gains. Cronin (2009), a leading management consultant in the area of performance improvement, recently wrote:

The world has now changed, minimizing revenue loss, cutting cost and conserving cash is what really matters. Analyzing that 0.5% drop in margin, challenging that supplier for cost and service, struggling with that pricing decision, screaming for that cost analysis, and reducing headcount have all become the priorities of the day. ... Converting to an agile model with the appropriate mix of fixed and variable cost to meet market demands is key (Cronin, 2009, p. 45).

Risk Management and Sustainability

This is more than a box-ticking issue. The true benefit is when insight into risk has the ability to create valuable management information, turning what was a compliance issue into a tool for creating profits and sales (Trigwell, 2009). The management of SMEs' business, financial and reputational risk is at the core of the sustainability issue (Woods and Dowd, 2008).

The Role of External Advisers Including Fáilte Ireland

At a CIMA conference³ on the importance of small companies for the future of the Irish economy, eminent speakers, including Professor Garelli⁴ (2008) and Professor Young (2008), stressed the importance to the Irish economy of such companies having a niche strategy and the need for them to move from 'managing a product to managing a result' and become *outcome-based* companies (Garelli, 2008). This change requires a finance function with qualities that can drive value for the company.

Due to the absence of an internal accountant/finance function, the low level of financial capability of the owner-managers and their lack of time for planning, key informants have already mentioned that the external accountant and the bank tend to be the key advisers on financial matters. The literature in this area concurs: this reliance reduces the owner-managers' isolation and self-dependency (Deakins et al., 2001); the dominant approach for the survival and development of SMEs - needing competencies to survive in a changing environment - is to buy in resources, in terms of advice and support (Teece, Pisano and Shuen, 1997). Furthermore, accountants were referred to as 'trusted' advisers of SMEs (Blackburn and Jarvis, 2010).

The external accountant is the adviser who prepares annual accounts and tax returns for the Companies Office, with an audit exemption likely applicable to most micro businesses. However, the owner-manager has the choice to avail of other value-added services from this source. ACCA research by Schizas, Jarvis and Daskalakis (2012) commented that the issue of providing value-added services to

SMEs by small and medium accountancy practices is on the agenda of the accountancy bodies. Due to deregulation and rising audit thresholds around the world, a reduction in demand for traditional compliance work, so crucial to the income of these practices, has been observed. A report by Blackburn and Jarvis (2010) for ACCA demonstrates how external accountants can build on a combination of empathy and social rapport to generate trust with their SME clients, once compliance tasks have been completed. Then, practices can go forward and market value-added non-compliance services to their clients.

The 'timeliness of the accountant's interventions was seen as an advantage of using a small accounting practice' (Marriott, Marriott, Collis and Son, 2008, p. 18). Taking into account the preference of owner-managers for face-to-face meetings with advisers, Johnson, Webber and Thomas (2007) suggest proximity as yet another factor favouring local accountants. However, Doran's (2006) Irish study, noting an Institute of Chartered Accountants in England and Wales (2003) recommendation that practitioners re-focus their efforts towards value-added/non-compliance services, found some of the respondents in her study 'questioned the ability of their current accountant to provide these services' (Doran, 2006, p. 23).

Deakins et al. (2001) noted that involvement by advisers, including accountants, in the networks used by the owner-managers would help their learning, decision-making and ultimately financial management practices. Any intervention to help owner-managers must be based on 'helping the entrepreneur to learn rather than imposing prescribed solutions and (top-down) management consultancy' (Deakins et al., 2001, p. 52). Their research concludes that the accountant performs two basic functions: that of an agent preparing the accounts, tax and doing the audit (external reports), 'and that of a business consultant advising on the internal management planning, decision-making and control reports that will assist the owner-manager in the management of the small firm' (Deakins et al., 2001, p. 7). The owner-manager, they caution, must understand the difference between the two functions, to stand a chance of identifying the necessity for both. Blackburn and Jarvis (2010, p. 26) suggest that accountants could function as adviser, mentor and coach, 'working with the businesses rather than being mere one stop shops'. This new role would require the accountant to have an understanding of the context and cultural environment of the SME.

The accountant must make space for discussion and unpack his/her client's thinking on any important matter (Martin, 2005). Interestingly, a second recommendation made by Blackburn and Jarvis (2010, p. 26) suggested that these firms could develop their businesses further by focusing on a specific industry sector or field of accountancy: 'allow them to develop accounting specialisms linked for example, to the music industry.' This proposal has merit, but may only apply in locations where there is a large concentration of a particular industry. Marriott and Marriott (2000, p. 1) identify:

... significant potential for accountants to expand the management accounting services they provide to smaller companies, especially where information is presented as ratios or graphs and accompanied with an appropriate narrative interpretation.

Another source of external advice, Fáilte Ireland (being a professional body serving the industry), provides significant support in the form of workshops, its own website, regional TLNs, web advice from IT consultants and online benchmarking tools – for example, the Fáilte Ireland Business Tool⁵ financial benchmarking web-based facility for key performance metrics, the Fáilte Ireland Optimus⁶ programme and the Fáilte Ireland Biz Check⁷ tool. These supports were reviewed by the researcher but are not reported in this paper. As listed above, these are largely concerned with helping the owner-manager to improve his/her website and to track financial benchmarking of costs and room rates for example.

Having completed the literature review, the following research objectives are suggested.

RESEARCH OBJECTIVES (RO) AND RESEARCH QUESTIONS (RQ)

Based on the insights gained from the study context, including the observations of the key informants, together with the review of the literature, the following research objectives (ROs) and research questions (RQs) were developed – see Table 1.

TABLE 1: RESEARCH OBJECTIVES AND ASSOCIATED QUESTIONS

Research Objectives	Research Questions
RO1: To explore the training and qualifications, financial management awareness and prior business experience of owner-managers and their participation in Tourism and Learning Networks (TLNs).	RQ1: What is the level of training, qualifications and prior business experience of the owner-managers and is it adequate? RQ2: What is their level of financial awareness and have they participated in TLNs and what is their level of satisfaction with these?
RO2: To examine the information systems currently in use to run the business, together with approaches adopted by owner-managers in managing risk, and to identify any gaps in these compared to best practice.	RQ3: What is the nature of the information system(s) currently used in running the business, how are they used and what is their level of satisfaction with them?
RO3: To examine the degree of interaction with external accountants and the satisfaction levels of owner-managers with this support.	RQ4: What is the nature of their engagement with the external accountant and how satisfied are they with this support?

THE FIELDWORK: METHODOLOGY AND CASE SITES

Scapens (2006) noted the growing concern of the management accounting community to understand management accounting practice, rather than prescribing it. The case study in qualitative research ‘involves the researcher in direct contact with organisational settings, conducting in-depth research into actors and their contexts in their naturally occurring settings’ (Parker, 2012, p. 54). In a study of published accounting research from 1981 to 2004, Merchant and Van der Stede (2006) revealed that field-based case research has predominated in the management accounting

area, confirming the suitability of the interpretive approach and use of the case study method for this research.

In the fieldwork for this study, exploratory interviews at the case sites tried to capture the financial management routines and information systems used by the tourism businesses and to identify any gaps between what was in use and best practice. Due to time constraints, a full case study could not be executed at each case location. Further research is therefore needed to explain in greater detail the reasons for the findings.

Selection of Case Sites and Derivation of Interview Guide

The final selection for the fieldwork consisted of twelve case sites (A to L) representing a diversified sample of tourism businesses, bearing in mind the short time frame available to conduct the research (three months). Prior to undertaking the fieldwork, it was agreed (under advice from Fáilte Ireland's Director of Strategic Development and his senior managers) that the overall sample should include a spread of tourism enterprises, incorporating some case sites in peripheral locations. Also, a cross-section of activity centres was needed, because, as the Director noted, the activity centres drive the demand for accommodation and therefore need to be viable financially. This contact with Fáilte Ireland at the sample selection stage ensured that Fáilte Ireland were happy with the choice of case sites. Indeed they additionally requested that some of the case sites be chosen from their listing of those who had participated in their TLNs.

The case sites at which exploratory interviews were carried out are listed in Figure 1, each case being assigned a pseudonym.

FIGURE 1: CASE SITES

- **A:** Rothar – a cycling company in the West
- **B:** Equus – a riding school in the Midlands
- **C:** Sub Aqua* – a diving centre in the South-West
- **D:** Sea Spa – a seaweed spa in the North-West
- **E:** Island Retreat – a guesthouse in an island location
- **F:** Rustic Lodge* – a guesthouse in a rural Midlands location
- **G:** The Cedars – a hotel subject to a preservation order in the North-West
- **H:** The Oaks – a small indigenous hotel chain in the West
- **I:** Orangerie – a vegetarian restaurant in Dublin
- **J:** Fairways Country Club – a golf and hotel facility in North County Dublin
- **K:** Tonnta* – a surf school in the South-East
- **L:** Castle* – a historic castle used for accommodation in the North-East

* Denotes case sites selected in conjunction with Fáilte Ireland, from their listing of businesses participating in TLNs; balance obtained by researcher

As can be seen in Figure 1, the overall cohort included six accommodation providers (E, F, G, H, J and L); five activity centres (A, B, C, D and K) and one restaurant (I). Two of the accommodation centres (E and G) were in peripheral locations, addressing this requirement.

In order to gauge their usefulness as a training mechanism for up-skilling the participating owner-managers, an over-arching variable of the case selection was to include a sample of participants in TLNs and another sample of those who had *not* done so. At their headquarters, Fáilte Ireland provided the researcher with a confidential listing of those who *had* participated in the past in TLNs, organised by Fáilte Ireland trainers. With their help, four sites were chosen – C, F, K and L (asterisked in Figure 1 above) – which met this requirement. Other case sites, covering those who had *not* participated in TLNs, also needed to be included.

Apart from the four cases chosen at Fáilte Ireland headquarters, this meant that the remaining eight (A, B, D, E, G, H, I and J) had to be identified and contacted by the researcher alone, based on searching the internet for details of activity centres, restaurants, guesthouses and hotels, and follow-up telephone calls. During these searches, which were conducted away from the Fáilte Ireland premises without the benefit of the Fáilte Ireland list, the researcher was unaware whether or not these further eight cases would turn out to have participated in TLNs. In fact, on inquiry during the initial telephone contact, three more case sites (A, G and H) accessed by the researcher herself, also had attended TLNs and five (B, D, E, I and J) had not participated.

Key Informants

As mentioned earlier in the Study Context section, before commencing the field-work, a range of interviews was held with eight other key informants (KIs) (see Appendix I). These interviews were recommended by Fáilte Ireland, who grant-aided the study, providing invaluable insights which confirmed matters not covered in the sparse literature on financial management in tourism. The pre-budget submission documents for the Restaurants Association of Ireland (RAI) and the Irish Hotel Federation (IHF) were discussed with KI/1 and KI/3 respectively, to help the researcher understand matters of concern to these significant players in Irish tourism.

Interviews and Protocol

An interview guide with a list of broad topics derived from the review of the literature and the context of the study was used to conduct these unstructured interviews (see sample guide in Appendix II). Also consent forms were completed by each owner-manager, who was interviewed on-site. As one case (K) was run by a husband and wife team, both of whom were interviewed, this gave an overall complement of thirteen respondents. All other case sites just had one person running them.

Analysis of Findings

When the interviews had been completed and transcripts prepared, the next task was to read through them to become familiar with the 'raw' data, as suggested by Saunders, Lewis and Thornhill (2007). This was followed by an analysis of the raw data into sub-themes associated with each research objective (Patton, 1990). A very large analysis sheet was prepared for each objective, with respondents on the vertical column and sub-themes associated with the particular research objective

arrayed on the horizontal columns (Patton, 1990). Then, the relevant data were extracted from the transcripts and entered into the appropriate cells.

Having all the data and quotes in relation to one objective available together on one large sheet facilitated the aggregation of the data. The final step in the analysis was to apply cross-case comparison for each large sheet, searching for similarities and differences in the findings. This process was replicated for each of the research objectives. While time-consuming, it provided a structured format for analysing the findings.

Next, the main findings which emerged from the case studies are presented.

EMPIRICAL FINDINGS AND DISCUSSION OF THE RESULTS

It will be recalled that the research had three main objectives. Findings now follow, with a discussion section after the findings for each research objective/research question.

Research Objective 1

RO1: To explore the training and qualifications, financial management awareness and prior business experience of owner-managers and their participation in Tourism and Learning Networks (TLNs).

Findings in relation to the derived research questions RQ1 and RQ2 now follow.

Findings from RQ1: Training, Qualifications and Prior Business Experience of Respondents

RQ1: What is the level of training, qualifications and prior business experience of the owner-managers and is it adequate?

The attainment of educational qualifications was ascertained and is shown in Table 2. As can be seen, just over half (seven) had relevant third-level qualifications, while another three had non-relevant third-level qualifications. The remaining three respondents had not attended third level.

Regarding more specific training, Column D in Table 2 shows that five respondents had availed of this option. For example, some had achieved (vocational) qualifications in teaching riding, diving or surfing (B, C and K) and/or had completed 'start your own business' courses (B).

Taking an overview of these findings, all the interviewees had prior educational and/or vocational attainment. Prior business experience (i.e. having worked as a salaried employee in a business setting) was calibrated on two scales: considerable and minimal. These are indicated in codes in the case site column in Table 2, using superscripts 'c' and 'm'. Two respondents had minimal business experience (m), while eleven had considerable business experience (c), whether in tourism businesses or in some other non-related sector. Considerable business experience would include having set up and run a business before or having some commercial experience at a high level of responsibility.

TABLE 2: TRAINING, QUALIFICATIONS AND PRIOR BUSINESS EXPERIENCE

Training and Qualifications of Respondents (see columns **A** to **D** across below) **and Prior Business Experience** (see superscript in case site names below)

	A	B	C	D
Case site	Undergrad and/or postgrad business or hospitality degrees or diplomas or professional accountancy or higher qualifications in business or hospitality	Non-relevant qualifications meaning non-business degrees or non-accounting degrees or non-finance degrees	No third-level qualifications	Vocational training or FÁS courses or 'Start Your Own Business' course by County Enterprise Boards
A^c	√			
B^m		√		√
C^c		√		√
D^c	√			
E^c			√	
F^m		√		√
G^c	√			
H^c	√			
I^c	√			
J^c	√			
*K^{cc}			√√	√√
L^c	√			
Total	7	3	3	5
Overall Total		13		5

*Note 1: There were two respondents at Tonnta (K). As they were interviewed together, Tonnta was treated as one case study. So there are twelve case sites in total, but thirteen respondents in total.

Note 2: Respondents at B, C and F had both non-relevant third-level educational attainments and vocational qualifications.

Note 3: Superscript 'm' indicates minimal prior business experience while superscript 'c' indicates considerable prior business experience.

As an example of prior minimal business experience (m), one home economics teacher (F) had purchased a country house and renovated it before her retirement, using savings and a special incentive grant from the County Enterprise Board. Then, on retirement, she spent a year in New Zealand, working in restaurants and hostels, before returning to work in her guesthouse full-time.

Only one of the respondents (D) had previously set up and run his own business (a swim school). Two of the respondents (E and G) had grown up in the family business (a guesthouse and a hotel respectively) and had inherited the businesses from their families. Another (H) had grown up in a hotel business and had married into another small indigenous chain and ran one of the hotels in that chain, as general

manager. Four respondents who ran activity businesses – A, B, C and K – had converted a hobby into a business. ‘It was going to be my retirement hobby ... family and friends taking pony lessons ... but it took off like wildfire’ (B). Owning their own business permitted a lifestyle choice for K.

In sum, the majority of the respondents were new to the rigours of setting up and running their own business, but had worked in other businesses before, as salaried employees, or had grown up in a family business.

Discussion of RQ1: Training, Qualifications and Prior Business Experience

The findings relating to the educational qualifications of the case study participants indicated a good level of achievement overall. Ten of the thirteen respondents had third-level qualifications (Table 2).

Of the remaining three, the duo at K had vocational training, leaving only one (E) with no formal qualifications. Regarding prior business experience, here again results were positive (Table 2). Eleven of the thirteen respondents had considerable prior experience, while the remaining two (B and F) had converted a hobby into a business on retirement from teaching.

In sum, the results showed that the prior educational attainments and business experience of the participants provided a solid foundation for their current business endeavours. This was a positive finding, given the centrality of the owner-manager to any small business success (Kearney and Lavin, 2005).

Findings from RQ2: Financial Management Awareness and TLN Participation

RQ2: What is their level of financial awareness and have they participated in TLNs and what is their level of satisfaction with these?

Financial management awareness and participation in TLNs are shown in Table 3. In this table, *financial management awareness* was broken down into four levels. The first level comprised three respondents (A, J and L) who had either completed Masters in Business Administration (MBA) degrees and/or had prior experience in banking/finance jobs. At level two, one other respondent (C) had worked as a company secretary, where she was trained in preparing accounts using Sage accounting software. Then, it is important to note the third level, where four other respondents were self-taught or ‘muddled through’ as regards book-keeping for their own business. Finally, at level four, the remaining five had minimal or no accounting experience.

Turning to the Tourism and Learning Networks (TLNs), eight out of the thirteen respondents had attended these courses, as noted in the sixth column of Table 3. It is particularly important to note that these TLNs were unanimously positively rated by these eight participants.

Discussion of RQ2: Financial Management Awareness and TLNs

When the researcher drilled down into the detail of the qualifications and business experience of respondents, results were more mixed (Table 3). While four had relevant financial qualifications or job experience in this sector, of the remaining

TABLE 3: FINANCIAL MANAGEMENT AWARENESS AND TLNS

Case Site	Financial Management Awareness			Participation in TLN?		
	MBA Degrees or Banking/Finance/ Experience or Both	Prior Training in Preparation of Accounts	Bookkeeping – Self-Taught	None	TLN – Yes	TLN – No
A	√				√	
B			√			√
C		√			√	
D				√		√
E				√		√
F			√		√	
G				√	√	
H				√	√	
I			√			√
J	√					√
*K			√	√	√√	
L	√				√	
Total	3	1	4	5	8	5
Overall Total		13			13	

*Note 1: There were two respondents at Tonnta (K), so there were thirteen interviewees in the twelve case sites.

nine, four were self-taught and could 'get by', while five had little or no accounting experience.

This indicated gaps in their internal resources (Blackburn and Jarvis, 2010) – such as less familiarity with the financial aspects of running their businesses – among the majority of respondents, thus identifying a need for improvement in this area. The satisfaction levels of the eight people who had participated in TLNs were very high.

Overall, these findings indicate the need for further training in the financial area in agreement with the literature already discussed (Blackburn and Jarvis, 2010; Hannon and Atherton, 1998). Also, the usefulness of the TLNs as a means of providing training for owner-managers was endorsed, in keeping with the literature (Deakins and Freel, 1998; Kelliher et al., 2009; Morrison and Teixeira, 2004).

Research Objective 2

RO2: To examine the information systems which are currently in use to run the business, together with approaches adopted by owner-managers in managing risk, and to identify any gaps in these compared to best practice.

Findings relevant to the derived research question RQ3 are now presented.

Findings from RQ3: Current Information Systems and Satisfaction Levels

RQ3: What is the nature of the information system(s) currently used in running the business, how are they used and what is their level of satisfaction with them?

Results showed that half of the case sites (six) used accounting packages, with the remainder relying on more basic accounting procedures. While all participants had a formal booking system in place, the information gathered varied from a basic manual booking system (B, E, F, I and L) to more sophisticated systems providing information on patterns of demand (H (small chain hotel), J (medium golf hotel), C and K). However, even the more advanced systems did not provide information on the *profitability* of the various activity products. The financial management systems, often based on invoices and cash records, were *limited in analytical content*. Overall, these findings indicate that there is considerable room for the development of basic management accounting systems and indeed up to the higher levels of business intelligence (BI) (Chartered Institute of Management Accountants, 2008).

Decision-Making, Use of Intuition and Satisfaction with Current Information Systems

Findings indicated a high reliance on the *use of intuition* in decision-making. This is not surprising, given the lack of day-to-day management accounting information. As respondent I quipped: 'it's all in the head ... an awful lot is done by guesswork.' One savvy owner-manager (A) recognised the need to supplement intuition with some form of BI and designed her own 'client control form', which gave feed-forward information on her expected margins per client. This self-designed document was highly influential in her efforts to maintain margins. In fact, the researcher noted it was a 'service costing sheet' with profit per cycling client computed. At a general level, it can be said that the problems appear to be a lack of tailored real-time BI and the owner-manager being unable to take time out of the business to see what was needed or to self-design reports. As respondent A tellingly stated:

BI is so key, it frees up my time ... a lot of money goes on administration, when a bespoke solution should be available We, as owner-managers, have to do the hard slog ourselves.

Lack of Time: Financial Management and Decision-Making

Respondent K reported that 'the time to do accounts is not there ... we have to give time to be hands-on in the business.' Likewise, respondent L complained about the lack of time for management: 'the biggest problem we have is time - spending too much on the day-to-day things and not enough on the management side.' These findings show an over-reliance on the use of intuition in decision-making, a general shortage of time and a lack of analytics. This deficit is an opportunity for the external accountant to step in and fill this gap.

Cost Control Issues

Cost control was high on the agenda of all the respondents. The main emphasis was on staff costs and participants had devised creative ways to minimise these,

including multitasking, the use of family labour and flexing the costs of employed staff to turnover.

Cost control was not confined to labour cost issues. For instance, three respondents (E, F and G) discontinued offering evening meals because of the high associated material and cooking costs and consequential lack of margin. Some of these respondents were aware of the Fáilte Ireland toolkit on food costing and felt very positive towards it. Control of energy costs was seen as important by respondent D.

In conclusion, it can be said that there was a good appreciation of the need to control costs. However, this lever is not sufficient on its own to generate sustainability of profits or to re-invent the business.

Management of Risk and Sustainability Issues

This section is presented in two parts: current risks within the business and future risk issues such as business development, the life cycle and exit strategies.

Management of Current Risk within the Business and Sustainability

Findings indicated that some owner-managers had a fortuitous aspect such as inheriting a debt-free business (E and F) or a good location (B, E and C). Irrespective of the original complexion of the business, diversification of risk, by grafting additional revenue streams onto the core business model and planning the future development of the business, is the main action available to ensure sustainability.

Some respondents had income streams from rented properties (E) or other part-time jobs (L) or had lowered their risk through diversifying their revenue streams within the core of the original business (A, C, D and K). Sometimes this diversification enabled a short season from a guesthouse in a remote location (E) to be supplemented by a longer season from the coffee shop, the meeting room and the farm, so the cross-subsidisation was seasonal as well as monetary. Core summer surfing activity at K was supplemented with a winter marine education facility. However, as these additional businesses grew from the core, the need for business intelligence became even more apparent.

Business Development, Life Cycle Issues, Exit Strategy and Sustainability

There was evidence of proactive planning for the future development of some of the businesses. For example, three activity centres (B, D and K) saw opportunities to link up with local hotels in order to create reciprocal demand for both activities and accommodation, creating a win-win situation for both businesses. At present, it seems to be done on an ad hoc basis. Other innovations included developing a manufacturing base for spa products in Ireland and availing of solar and wind power to reduce energy costs (D).

Life cycle issues and exit strategies were recognised as part of the sustainability problem. Some owner-managers, concerned that their businesses were not sustainable in their current form, were planning to sell on or adapt their property to other uses. Others in well-performing businesses were developing add-on businesses to the core. For example, respondent H had used his own horses on his own farm to offer beach riding to his hotel guests. This stream could become an exit route for himself and his family, should his hotel business fail. Another (B) mentioned the

vulnerability that would be exposed, should illness or an accident strike her, as she felt she was 'mother and father to the business' and that her own skills were irreplaceable.

In conclusion, the sustainability of the case sites was, to some extent, a question of the savviness of the owner-manager in managing risks, both financial and operational. Risk originated in the founding circumstances of the business and as the owner traded and set up a business model, there was a process of further engagement with risk and of changing the business model to diversify against risk. Future business development and an exit strategy because of illness, retirement or the failure of the business need proactive planning.

Discussion of RQ3: Current Information Systems and Satisfaction Levels

The findings strongly suggest a need for 'hard' information in the back office, to help the decision-making process, as recommended by various contributors to the literature, including Cronin (2009), Davenport (2006), Moores (2003) and Simons (2009). A lack of time for decision-making due to the owner-manager's heavy involvement in the day-to-day running of the business was evident in the cases, again supporting Harris and Brander-Brown (1998). The neglect of planning was also obvious from the findings (McElwee and Warren, 2000). Information sources were sometimes basic, as noted by Collis and Jarvis (2002).

Overall, the findings showed that many of the respondents hedged themselves against risky over-reliance on one business, by building additional revenue streams onto their core business. A concern might be that, as the owner-managers nurture these additional 'green shoots', the need for real-time, higher order information systems (such as BI) may be overlooked and managers may lack time to 'mind' the enlarged businesses effectively (Woods and Dowd, 2008).

Given that tourism is a service business, the manager is both a front-office and a back-office operator. There is a tension here, until the back-office BI can be transfused into the business. This conflict between the dual roles of the owner-manager was very evident in most of the case sites examined.

In most cases, there was little evidence of real-time analytics to help the owner-manager monitor the value drivers to ensure sustainability of their businesses. The use of manual systems was somewhat prevalent and the future buoyancy of the firms could be attributed to the business savvy and intuition of the owner-managers in managing risk and, of course, sheer luck.

Research Objective 3

RO3: To examine the degree of interaction with external accountants and the satisfaction levels of owner-managers with this support.

Findings for the derived research question RQ4 now follow.

Findings from RQ4: Interaction with External Accountants and Satisfaction Levels

RQ4: What is the nature of their engagement with the external accountant and how satisfied are they with this support?

An analysis of the responses to this query indicated that, for most respondents, the role of their external accountant was confined largely to compliance tasks. Some sample comments endorsed this finding:

They just put the end-of-year accounts together. (D)

They just do the figures, but don't help with business advice. (E)

Tax returns and audit Doesn't really inquire into the business. (G)

F and G specifically highlighted the fact that their external accountants had no specific experience in the sector. Respondent F commented that her external accountant 'was not a specialist in bed and breakfasts', while G said that his accountant 'had no background in hotels'. On a more positive note, respondent C said that her accountant 'talks to them about costs', while I reported that his accountant 'was good at making sure we practice rigid procedures'.

Findings from the study cohort strongly indicated that the input from their external accountant was largely confined to the preparation of year-end accounts and related tax compliance matters. This service was seen as unsatisfactory by the majority of the case sites, for example, 'they just do the figures but don't help with business advice' (E).

Discussion of RQ4: Interaction with External Accountants and Satisfaction Levels

Overall, these findings suggest that the businesses studied do not receive much assistance from the external accountant beyond compliance work, leaving room for further engagement with these accountants. For example, many of the case sites needed more management accounting services to run the business (Marriott and Marriott, 2000), building up to the BI 'stack' (Simons, 2009). The limitations of financial management expertise in the study cohort, as noted earlier, and the constraints on the time of owner-managers mean it is unlikely that they can self-develop better systems. This clearly indicates a need for a better service from the external accountant than simply accounts and tax preparation work.

This research records a lack of confidence from the respondents in the ability of their external accountants to offer non-compliance services, as noted already by Doran (2006). This study reveals further reasons for this problem, in that it would appear to be due to the external accountant being a generalist and not having a specific understanding of the varieties of businesses and operating models in the tourism sector (in line with Blackburn and Jarvis, 2010).

Another aspect that emerged was support for a recommendation already noted in the literature section of this paper for accountants to intervene by helping the entrepreneur to learn (Deakins et al., 2001). To be able to engage productively, the external accountant needs to make time to unpack his/her client's thinking through discussion (Martin, 2005). Then, rather than being confined to the existing role of compliance work, s/he will be able to develop a new role of 'working with the businesses' - mentoring and coaching the client (Blackburn and Jarvis, 2010, p. 26).

To remedy this situation, it is suggested that perhaps if the external accountant could get involved with the TLNs in their local area, the necessary trust and social rapport would be built up, so then the owner-manager would want to buy value-added services from his/her trusted adviser. The accountant would then continue doing accounts, tax and audit, but also mentor these businesses, advising them on the necessary planning, control and decision-making reports (i.e. tailored business intelligence systems with dashboard metrics suitable to diving, equestrian, bed and breakfast, surfing activities, etc.), which could free up the owner-manager's time to think. This would avoid an imposed solution, as the accountant would work with the business and unpack his/her client's thinking. The TLNs could also be used to train the manager to operate these systems confidently, thus helping the manager to expand his/her financial management capability.

FURTHER RESEARCH

The important area of financial capability comprising three levels of competency – business planning, management reporting and employment of financially trained staff – has been explored in this study of micro businesses. Apart from case site H, The Oaks, which was a chain of indigenous hotels, none of the case sites employed their own in-house finance staff and few had formal continuous planning or management reporting systems (including management accounts); rather they relied on cash, booking systems and invoices. Therefore, it would be useful to explore using longitudinal case studies whether, as these businesses expand and grow, there is a change towards greater formalisation of these levels of financial capability, as the owner-manager realises s/he cannot control everything. A positive association between financial capability and improved financial performance could be tested statistically across, for example, small hotels of the same grade in a particular region. Also, a change in economic conditions from boom to recession could be mapped, as previous research (Association of Chartered Certified Accountants, 2012) tends to indicate a certain complacency in boom times regarding the building of a solid finance function. Does recession force a change in attitude? The impact of e-commerce business on the likely formalisation of financial capability would be another interesting area of research.

Other important research questions would be to explore the training, qualifications and previous business experience of start-up entrepreneurs and see if there are particular profiles of start-up entrepreneurs that seem to develop formalised financial capability. Does failure of some of these start-ups correlate to late development or inadequate levels of financial capability? Finally, the attitude of local regional accountants towards their own participation in the TLNs could be surveyed, given that their owner-manager clients seem particularly satisfied with the learning they experience within these networks.

Thus, the findings have been discussed and areas for further research have been highlighted. So, the paper now proceeds to conclude.

CONCLUSIONS

The main challenges facing the sector and issues of owner-manager competencies were distilled from the literature. Then, research objectives were derived from the study context and literature review and associated research questions articulated. The methodology of the study, including the choice of the case study method and the execution of the fieldwork, were described. The study was limited by restricted interview time being granted at each case site. This meant that the research was exploratory in nature rather than allowing for the execution of a complete case study methodology, drilling into explanations, etc.

Findings from the exploratory interviews at the twelve case sites showed that the participating owner-managers were well-educated at a general level. However, while most respondents had prior business experience elsewhere, they were new to the task of actually setting up and running their own business. Nine out of thirteen respondents had either limited or minimal financial management awareness, in agreement with the literature and KI commentary. Many were savvy individuals who were multi-tasking. Having little time to think through decisions or manage the business, they used intuition in their decision-making and managed risk through diversifying their revenue streams and pro-actively planning an exit strategy.

The findings show a distinct lack of satisfaction with their current information systems, which were often based on invoices and cash records, lacking analysis of profitability and predictive information. A lack of planning and a lack of time to think, due to the manager being immersed in the day-to-day running of the business, playing both a front-office and a back-office role, was also evident.

The mainly compliance service already provided by the external accountants was deemed insufficient. Many respondents would like business advice and perhaps high-level business intelligence which would provide profitability analysis and planning information to focus the business model for the owner-manager. As the businesses enlarge, this need for higher levels of real-time BI becomes more pressing.

With the upskilling of the owner-manager's capabilities achieved through mentoring in the TLN by the external accountant, in addition to insights from the back-office BI system transfusing into the front office, these businesses would move to 'managing a result' and become sustainable outcome-based companies. In this way, they could retain their 'personality' and lifestyle, while also operating with an agile business model. Further research in this important area is suggested.

ACKNOWLEDGEMENTS

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NOTES

- ¹ <http://www.wttc.org/focus/research-for-action/economic-impact-analysis/country-reports/>. This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists.
- ² Fáilte Ireland was formed in May 2003 under the National Tourism Development Authority Act as Ireland's national tourism development authority, responsible for supporting Ireland's tourism industry and sustaining Ireland as a high-quality and competitive tourism destination. As part of this, Bórd Fáilte Éireann merged with the Council for Education, Recruitment and Training (CERT) in order to increase the focus on achieving a cohesive tourism strategy for Ireland to ensure a strong and sustainable tourism industry. See <http://www.failteireland.ie/Utility/What-We-Do/Our-History.aspx>.
- ³ See <http://www.cimaglobal.com/About-us/Press-office/Press-releases/2008/October/Out-of-difficult-times-comes-real-opportunity-CIMA-Ireland-Conference-told/>.
- ⁴ For details of Professor Garelli's work see [http://www.imd.org/about/facultystaff/garelli.cfm/](http://www.imd.org/about/facultystaff/garelli.cfm).
- ⁵ <http://www.failteireland.ie/News-Features/News-Library/Free-Online-Business-Tools-for-Tourism-Businesses.aspx>.
- ⁶ <http://www.optimus.ie/opt/index.php>.
- ⁷ <http://www.failteireland.ie/News-Features/News-Library/Failte-Ireland-Business-Supports-for-B-Bs.aspx>.

APPENDIX I: KEY INFORMANTS

- **KI/1:** A representative of the Restaurants Association of Ireland
- **KI/2:** A qualified accountant consulting to hotels
- **KI/3:** A representative of the Irish Hotels Federation
- **KI/4:** An economist who is employed by Fáilte Ireland
- **KI/5:** An accountant working as a manager of Online Business Supports with Fáilte Ireland
- **KI/6:** A consultant from a leading accountancy firm with hotel consultancy
- **KI/7:** A hotel accountant on secondment in a hotel as a consultant from a large hotel accountancy/consulting firm
- **KI/8:** A training manager in Fáilte Ireland who set up the Optimus programme

APPENDIX II: SAMPLE INTERVIEW GUIDE (ACTIVITY BUSINESS)

- Tell me about the history of your business: training and experience. What was the reason to set up the business? Have you worked in other jobs before? Have you run your own business before?
- Can you talk about your training and qualifications and what skills you feel you lack?
- Key success factors: can you explain them?
- Planning: do you have a strategic plan? Do you budget? How do they cope with recession?
- Do you run the business on a cash basis?
- What are the key reports you use to run your business?
- What costing information do you have?
- Where does profit come from? Do you analyse profitability from different segments? Is there a sustainable level of profit?
- Do you have any borrowings? Any grants?
- Do you have any accommodation offered with your activity?
- Do you sell products or have a retail element as well as giving lessons in the activity?
- What were the initial conditions of the business? Would there be any fortuitous aspects to these conditions, in your opinion?
- Staff costs: how are these controlled? Any issues with sourcing of staff?
- Tourists: what percentage are repeat customers? What patterns are appearing?
- Have you accessed the home market – parents and children – and what other markets have you accessed and how? How do you create business over the winter months?

- Costs: are you aware of the percentage of fixed and variable costs in the total cost structure? How does that knowledge affect the way you run your business?
- Revenue sources: what are they? Have you diversified your revenue streams? How do you manage demand?
- Do you have competition from other activity businesses?
- Pricing of lessons and hire of equipment.
- Marketing: how do customers find out about you? Do you market yourself? How do you know your target markets? Do you try to link with local hotels to generate mutual demand?
- Support from Fáilte Ireland Business Supports: have you participated in the Tourism and Learning Networks? How do you rate the TLNs?
- Are you familiar with the Business Tools website, with BizCheck and with WebCheck? Do you use them?
- What reports/information do you use to run the business? What other information do you need to cast more light on the drivers of profitability within the business? How do you use IT? Are you satisfied with the information systems you have to run the business on a day-to-day basis? What improvements are required?
- Do you know what it costs to serve different groups – is hire of equipment more profitable than other revenue streams? Do you know the unit cost of the instructor's time and how to make the best use of his/her time?
- Have you any issues with exiting the business/succession planning?
- How do you identify risk in your business? How do you manage risk?
- How do you hope to make the business sustainable in the long term?
- What about the support from the external accountant (if any)? Do they help with providing business intelligence, or do they just prepare the accounts and do the tax? Are you satisfied with this support?

END OF GUIDE

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PAPERS PRESENTED AT THE TWENTY-SIXTH ANNUAL CONFERENCE

The titles of papers presented at the twenty-sixth Annual Conference of the Irish Accounting and Finance Association (23–24 May 2012), Institute of Technology, Tallaght, were as follows:

Author(s)	Papers Presented
Aureli, S. & Sacchi, E.	An Investigation of Controllers' Activities in Small and Medium-Sized Enterprises
Ballantine, J., Guo, X. & Larres, P.	Psychometric Evaluation of the Student Authorship Questionnaire: A Confirmatory Factor Analysis Approach
Brabazon, A. & Drechsler, C.	In Vino Veritas? Fine Wine as an Asset Class
Brannigan, C., Ryan, P. & Muckley, C.	Do Auctions Induce a Winner's Curse? New Evidence from Real Estate Auctions
Busco, C. & Robbins, G.	Exploring Programmes and Technologies of Government in Practice: The Case of Ashford Hospital
Butler, J. & Casey, J.	An Empirical Analysis of the Change in the Provision for Credit Losses on Trade Receivables from an Earnings Management Perspective
Campa, D.	Integrity of Financial Information as a Determinant of the Outcome of a Bankruptcy Procedure
Campa, D. & Donnelly, R.	An Assessment of Corporate Governance Reforms in Italy Based on a Comparative Analysis of Earnings Management
Canning, M. & O'Dwyer, B.	The Dynamics of a Regulatory Space Realignment: Strategic Response in a Local Context
Clarke, P.	Ms Lilian Deignan: The First B. Comm. Graduate from UCD
Coughlan, J.	Inclusion of Quality in Retail Branch Banking: An Efficiency Assessment
Cullen, K.	Investigating Financial Analysts' Susceptibility to Impression Management: An Experimental, Eye-Tracking and Interview-Based Study

Papers Presented at the Twenty-Sixth Annual Conference

Deeney, P., Cummins, M. Bermingham, A. & Dowling, M.	NRGi: Building an Energy Sentiment Index
Demirag, I. & Burke, R.	Changing Perceptions on PPP Games: Demand Risk in Irish Roads
Doran, J., Healy, M. & McCutcheon, M.	Third Level Accounting Education: Moving Beyond Competency
Doyle, E.	Taxing Times: An Educational Intervention to Enhance Moral Reasoning in Tax
Gibney, D.	A Case Study in the Capital Budgeting Process in the Irish Public Sector: How and Why Metro North Got onto the Agenda
Hermassi, N., Adjaoud, F. & Aloui, C.	Does Corporate Governance Affect Capital Structure?
Hyndman, N. & Liguori, M.	Public Sector Reforms: Changing Contours on an NPM Landscape
Hyndman, N. & McConville, D.	Efficiency and Accountability: A Study of UK Charities
Maher, J., Foley, A. & Barry, P.	Management Accounting and Marketing: Coals and Diamonds in the Credit Union Seam
Maingot, M., Quon, T. & Zeghal, D.	An Analysis of the Effects of the Financial Crisis on Enterprise Risk Management in the Canadian Financial Sector
McAree, D.	Evaluating a Faulty–Student Studies Advice System: Pilot Study Evidence
McGeogh, F.	Performance Reporting in the Irish Public Sector Organisations: The Untold Story
McGuinness, G.	Trade Credit and the Financial Crisis: Evidence from Irish SMEs
McInerney, C.	A Taxonomic Evaluation of Options in Wind Farm Development
McNamara, A., O'Donoghue, S. & Bautista Mesa, R.	Bank Characteristics in the Availability of European SME Finance: More than Bricks and Mortar?
Moran, A., O Callaghan, S. & Mattimoe, R.	Mapping a Route through a Structured Literature Review: The Case of Environmental Accounting
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Ward, A. & Forker, J.	Do Gendered Boards in Community Organisations Have Superior Financial Management?
Whelan, G.	Business Analytics and Its Impact on the Role of Management Accountants: A Proposed Action Research Project
Yin, Z., O'Sullivan, C. & Brabazon, A.	Empirical Analysis of Delta Hedging



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1. To further and develop the science of accountancy in all its branches and
2. To promote educational facilities for the teaching of accountancy, auditing, finance and other related subjects

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The Irish Accountancy Educational Trust

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Jacinta Conway
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NOTES FOR CONTRIBUTORS

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2. There should be a separate file containing the title, author(s), affiliation(s) and one address to which correspondence regarding the paper (including proofs) should be sent. An abstract of not more than 100 words should be given at the beginning of the paper.
3. Citations in the text should be by author's name and year of publication, for example, Black (1972) or (Brown, 1972). In the case of citations of books or specific quotations, page numbers should be given, for example (White, 1992, pp. 10–11). Where more than one publication by the same author in a given year is cited, they should be distinguished by lowercase letters after the year, for example (Green, 1987a; Green, 1987b). Where there are more than two authors, all names should be given in the first citation with 'et al.' used subsequently.
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DeAngelo, L.E. (1981). Auditor Size and Audit Quality, *Journal of Accounting and Economics*, Vol. 3, No. 3, pp. 183–199.

European Commission (1996). *Green Paper on the Role, the Position and the Liability of the Statutory Auditor Within the European Union*, October, Brussels: European Commission.

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Fielding, N.G. and Fielding, J.L. (1986). *Linking Data: Qualitative Research Methods*, Beverly Hills, California: Sage Publications.

Only works referred to in the text should be listed, and a general bibliography should not be included.

5. Essential notes should be included as endnotes rather than footnotes.
6. In initial submissions, tables and diagrams may be either included at the appropriate point in the text or after the references with their positions indicated in the text. Do not submit any separate Excel documents. Any exceptional costs of artwork for diagrams will be charged to authors.

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