Atelier Recherche

Vendredi 11 avril 2008
14h à 16h

Thème : “Accounting and Strategising in a Global Network of Practice”

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Accounting and Strategising in a Global Network of Practice

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Abstract

This study investigates the translation and realisation of strategy via accounting at a global organisation. The study illustrates that strategy is best understood as bundles of micro-activities that become realised during processes of translation and which can change ‘colour’, shape and form across time-space. Accounting inscriptions partake in the translation of strategy in three ways, through visualisation, structuring and seduction.

First, accounting numbers and templates act as media for the visualisation (and subsequently realisation) of strategy. They are intermediaries which convert strategy / strategic visions from abstract (possibly hollow) boundary objects into visible representations that can guide human action in practice. Indeed, it is difficult to imagine strategy outside of its inscriptions.

Second, financial templates and accounting numbers are mediators that carry strategy / strategic visions across time-space and which structure and narrow local practices. Accounting enables the corporate centre to act at a distance and transport global strategies / strategic visions into local sites without being physically present. Through accounting, the corporate centre defines the ‘desirable’ and ‘doable’ for local actors and financial templates become the media through which action is normalised and strategy governed. Global accounting inscriptions stabilise, structure, ‘funnel’, even ‘narrow’ strategising activities in local sites. They introduce the constraint of a conformity that must be achieved and operate as a value giving and identity-creating process that traverses space-time.

Yet, and third, financial targets and global accounting templates not only ‘narrow’ the range of possible options and normalise strategising activities at a distance. They also open up ‘new’ possibilities and bring out a play/dream mode in people. Specifically, ‘big hairy growth targets’ (such as the magic $1 billion revenue target three years out) seduce local actors into imagining a different, possibly better, future, to explore new territory, which in turn result in a dispersion and expansion of activities. Growth targets bring the future into the present but also transport the present to a different, more seductive future, thus inspiring action and transformation.

Accounting then not only narrows, focuses and possibly prescribes and disciplines, it also ‘opens up’ and expands the range of possible options. It has narrowing as well as expanding effects. It has the potential to degrade people into an appendix of a process, yet also to turn them into seemingly capable, ‘masterful’, strategy makers. Accounting not only structures and enables transport of the ‘non-degradable’ strategic visions of the corporate centre, it also enables localised choice, reasoning and action. In one way, it induces belittlement, in the other, it breeds and sustains high levels of reflexivity and encourage a
dispersion of activities that result in strategy being made many. Indeed, it is through local ‘assembly’ that notions of strategy take on form and come to be realised and understood by managers and executives alike. Through accounting, strategy making is not necessarily centred and does not reside exclusively in the hands of a small elite defined by hierarchy; rather, it is dispersed and created by many actors, some human and some not. Accounting is a double-edged sword, which entertains both the possibility of a humanistic, almost adventurous, firm, yet also the possibility of a machine-like metaphor of the firm where ‘self’ is defined more narrowly as a function of the desires of others.
1. Introduction and Aims

In 1990, Dent (1990) claimed that the interface between accounting and strategy was undeveloped. Since then, there has emerged a sizeable literature on the connections between accounting/management control systems and strategy. As the reviews by Langfield-Smith (1997; 2005) show, since the mid-1980s, much of the research is grounded in contingency theory notions of ‘fit’. That is, researchers seek to find out if particular ‘strategic archetypes’ are optimally matched with particular types of accounting/management control systems. The studies of Govindarajan (1988) and Govindarajan and Gupta (1985) exemplify such approaches. There, the researchers argue that organisations that adopted a defender strategic posture ought to be ‘fitted’ with more objective performance evaluation and reward systems while those that adopted a prospector posture ought to be fitted with more subjective control systems. More recently, the same contingency perspective has been used to study the linkages between operational (as distinct from business unit-level strategies) strategies and management control systems. For example, Ittner and Larcker (1997) argue that organisations following a quality-oriented strategy make greater use of strategic control practices that are sympathetic with a quality orientation. Similarly, Abernethy and Lillis (1995) argue that a manufacturing flexibility strategy is associated with use of integrative liaison devices.

In many of these more positivistic approaches to the study of strategy and accounting, the notion of strategy itself has been ‘black boxed’. Strategy, it is assumed, exists as a reasonably coherent ‘intent’, ‘orientation’ or set of ‘long-term plans’ that guide organisational action. Yet, when one reviews the strategy literature itself more fully, it transpires that there is greater diversity of definitions and investigative approaches. Building on Tryggestad (2005), it is possible to identify three main perspectives – Strategy as Rational Plans (Porter, 1980); Strategy as Emergent Plans (Mintzberg, 1987, 1988) and Strategising as Practice (Whittington, 2003, 2004, 2006), also commonly referred to as the Planning, Process and Practice based schools of thought.

When business strategy is seen as residing in a set of rational plans for the long-term, strategy making itself is seen as a formal, deliberate, reasonably rational (perhaps boundedly rational) process that is the domain of a small group of elite actors (see Anthony and Dearden, 1980; Porter, 1980). Mintzberg (1988), in contrast, argued that strategy often emerged through processes of negotiation and interaction among organisational actors. More recently, there has been a move to study strategising as a social process (Whittington, 2004; Johnson et al., 2003) that is enacted through a variety of organisational routines and practices.

In this paper, we seek to extend extant literature by building on Latour’s (1986; 2005, see also Czarniawska-Joerges, 1991) performative theory. That is, we seek to study
strategising as a networked, social process that is centrally mediated by non-human actants – in particular, accounting concepts and templates. Our focus is not on large scale, linear relations between accounting and strategy but on the mundane, day-to-day operation of accounting in strategising. It is on how accounting constitutes strategy as an imaginary, coordinated actor. In the process, we investigate ‘what is strategy?’, ‘how is strategy made?’ and ‘by who?’

Empirically, we follow actors in the ‘making of strategy’ at the Australian subsidiary of a well-known global (American) corporation. The organisation has operations in 96 countries, with 51 subsidiaries worldwide and 5 regional centres. It has approximately 60,000 full time employees, 30,000 contractors and 650,000 partners. The corporate centre is located in the USA, and regional centres exist in Europe, Asia Pacific (APAC), Latin America, the USA and China. Data collection, for the purpose of this study, has centred on the interaction between corporate actors in the USA, regional actors at the APAC office, and local actors at the Australia subsidiary.

The paper is structured accordingly. Section Two outlines the theoretical tenets applied and developed in the paper. These are derived from Latour’s (1987, 2005) performative ontology, also referred to as ontological relativism or the variable ontology (see Lee and Hassard, 1999). Section Three discusses the research methods. Section Four leverages the theoretical ideas developed in Section Two to analyse and present the empirics of the study. It traces the strategising activities resulting from the corporate accounting actants at the Australian subsidiary, and illustrates how strategising is dislocated and mediated by accounting. Section Five summarises the theoretical relevance and contributions of the empirics. Section Six concludes the paper.

2. Theoretical Concepts: Studying Accounting-Strategising from a Performative Perspective

The work of Latour (2005) rests importantly on a distinction between ostensive versus performative approaches to the study of social phenomena. The ostensive perspective assumes that “In principle, it is possible to discover the properties which are typical of life in society and could explain the social link and its evolution, though in practice they might be difficult to select” (Latour, 1986, p. 272). In contrast, the performative perspective argues that: “It is impossible in principle to define the list of properties that would be typical of life in society although in practice it is possible to do so” (ibid, p. 273, italics in original). Here, “Society is not the referent of an ostensive definition discovered by social scientists despite the ignorance of their informants. Rather it is performed through everyone’s efforts to define it” (ibid, p. 273). Social phenomena emerge in and through networks of practice, and their identity resides neither in an individual nor a technology but in a chain of relations between actors. Social aggregates are thus “not the object of an ostensive definition – like mugs and cats and chairs – that can be pointed at by the index finger – but only of a performative
definition. They are made by the various ways and manners in which they are said to exist” (Latour, 2005, p. 34). “Actors, whatever their size, define in practice what society is, what it is made of, what is the whole and what are the parts – both for themselves and others…… what is at stake is the practical definitions made by actors” (Latour, 1986, p. 273).

Table 1 adapts these distinctions to highlight how strategy can be conceptualised differently by each approach. This table illustrates the key theoretical ideas that guide this research study. We argue that strategy has a variable ontology, – it is a ‘boundary object’ whose ‘essence’ or identity is always open. This has a number of related consequences. First, strategy and strategic visions are seemingly hollow objects (or abstractions) whose form, configurations and essence can best be understand in processes of translation. Second, strategy is an achieved effect of a network of micro-actors, each of who partakes in the translation of strategy and who could potentially transform, distort and even de-stabilise the translation process. Depending on the number of actors/actants and the density of networks of practice, strategy making and (re-) making is, more or less, an anti-heroic process involving different actors dispersed in space-time. Here, and in contrast to the ostensive / positivist perspective, we do not know strategy ‘prior to’ its (temporary) stabilisation and many possible translations. Third, strategy and strategic visions are made ‘visible’ and ‘realised’ in practice via inscriptions and non-human artefacts.

Table 1: Ostensive versus Performative Perspectives on ‘Strategy’

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<th>Ostensive Perspective</th>
<th>Performative Perspective</th>
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<tr>
<td><strong>Ontological Assumptions</strong></td>
<td>Strategy is a neutral object with a stable identity and fixed definable properties. It is possible to predict the properties and movements which are typical of strategy.</td>
<td>Strategy is a boundary object (with a variable ontology) whose identity resides neither in an individual nor in a technology but in a chain of relations between actors.</td>
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<td><strong>Epistemological Assumptions</strong></td>
<td>Strategy is ‘ready made’. Knowledge about strategy exists <em>a priori</em>. It is objective and exists independent of actor-network experiences. Researchers and others possess both the knowledge and the authority to decide <em>up front</em> how actors should be made to act. They create on behalf of the actors a pre-defined context as to what strategy is and what it is made of. Uncertainties and controversies about what strategy is and how it moves are only momentary problems which can be eliminated with more data, a better methodology and more rigorous constructs.</td>
<td>Strategy is a process of translation. It unfolds when associations are enacted and created in networks of practice – when activities take place in its name, – when the boundary object is translated into activities and performed in practice. We do not know strategy ‘prior to’ and it is not possible to predict beforehand what strategy is and what it might become. Instead, strategy is what it becomes in the situation at hand, and knowledge about strategy exists only <em>a posteriori</em>. Strategy travels in the field - it is not kept pure and protected from it. Here, it is the role of researchers to trace the actor-networks within which strategy is translated and stabilised.</td>
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<td><strong>Assumptions about 'Strategy</strong></td>
<td>Planning School (i.e. Porter, Kaplan and Norton etc):</td>
<td>Practice (Whittington) and Process (Mintzberg) Schools: Strategy making is anti-heroic, yet</td>
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Makers’ (who are the strategy makers?)

Strategy making is restricted to humans – their cognition, plans, intentions, rules, actions etc. It usually concerns the heroic practices of a small group of elite actors.

most often restricted to humans – their cognition, plans, intentions, rules, actions etc.

Performative School (Latour): Strategy making is anti-heroic and performed in networks of practice, where humans and non-human actants coalesce to define and perform strategy. Strategy is inscribed and ‘made real’ via non-human actants. Strategy is visualised and realised through its inscriptions.

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Each of the three concepts in Table 1 is discussed in detail in the following sub-sections.

**Strategy Nouns/Themes as Boundary Objects (What is Strategy?)**

Organisational actors often talk about strategic ‘visions’, ‘agendas’ and ‘themes’. Nouns, or strategy themes, such as a ‘customer experience strategy’, a ‘growth strategy’, or a ‘productivity strategy’, may be thought of as boundary objects that are able to speak to many and associate some common meaning to diverse actors. Bowker & Star (1999, p. 296) define boundary objects as:

those objects that both inhabit several communities of practice and satisfy the informational requirements of each of them. Boundary objects are thus both plastic enough to adapt to local needs and constraints of the several parties employing them, yet robust enough to maintain a common identity across sites. They are weakly structured in common use and become strongly structured in individual site-use. These objects may be abstract or concrete... have different meanings in different social worlds but their structure is common enough to more than one world to make them recognizable, a means of translation. The creation and management of boundary objects is a key process in developing and maintaining coherence across intersecting communities.

This ability of a boundary object to transcend several communities and satisfy the informational requirements of actors in many locations is particularly relevant to the study of strategising in a global organisation (such as the one studied in this paper) where ‘strategy’ spans diverse geographical locations and where large physical distances separate people at the corporate centre from those at the periphery, at the local subsidiaries.

Star and Greismer (1989) further distinguish between four types of boundary objects, including repositories, ideal types, coincident boundaries, and standardised forms. Briers and Chua (2001, p. 242) expand this classification to include visionary objects, which are conceptual objects that evoke similar emotive and affective responses but whose identity is unknown until it is customised and tailored to specific settings. The concept of ‘strategy’ is most closely related with Star and Greismer’s notion of ‘ideal type objects’ and Briars and Chua’s (2001) notion of a ‘visionary boundary objects’. An ideal type is a (ibid, p. 411):

description which in fact does not accurately describe the details of any one locality or thing. It is abstracted from all domains and may be fairly
vague. However, it is adaptable to local sites, precisely because it is fairly vague; it serves as a means of communicating and cooperating symbolically – a ‘good enough’ road map for everybody.

Conceptualised as an ideal type, visionary boundary object, a strategic theme can be seen as a concept that has information content for several communities but which nevertheless can be inscribed differently in individual site-use. It is both plastic enough to adapt to the local needs and demands of the several parties employing them, yet also robust enough to maintain a common identity across those communities (Bowker and Star, 1999). Importantly, this conceptualisation implies that the essence and movement of strategy is always open and undefined a priori. Strategy / strategic visions come to be defined relationally by the ties which connect them to different entities in networks of practices. The essence, configurations and movement of strategy depends on local conditions and how the strategy theme is acted on, translated and re-translated in actor networks. Constellations of resources and associations are constructed in unique ways in different sites, and strategy is known only when actors perform activities in its name.

This conception of social concepts (such as strategy themes) as boundary objects is consistent with a small number of existing accounting studies. Mouritsen (2006), for example, contrasts different theoretical lenses through which intellectual capital (IC) can be studied, including the performative and ostensive lenses\(^3\). Specifically, he (ibid, p. 10) illustrates that intellectual capital is a boundary object “which has an appearance that allows us to see it, but it is impossible to predict its effects from these properties since they are weakly structured”. He argues that intellectual capital is a revisable proposal (Hacking, 1983, p. 130) whose properties are weak and only become known when situated in webs of practice. “As a boundary object, IC is not inherently strong and it does not have inherent connected qualities” (Mouritsen, 2006, p. 30). IC is “hardly a linear model leading to effects; it is instead a model of multiple potential relations and associations” (ibid, 2006, p. 11). He concludes that “When IC is a boundary object, the subsequent analysis deals with how it can be bent to situations, and the assumption is that it will work in unpredictable ways” (ibid, p. 30).

The conception of strategy themes as boundary objects is also consistent with Qu’s (2006) study on the translation of strategy via the Balanced Scorecard and Morgan’s (2006) study of intellectual capital. They both examine how boundary objects, such as an organisation’s ‘strategy’ (Qu, 2006) or ‘intellectual capital’ (Morgan, 2006), are translated and ‘made real’ in practice via accounting technologies. On a similar note, Andon et al (2007), building on Hopper and Quattrone (2001), show how the concept of management accounting change itself needs to be re-examined and its ‘meandering’ or ‘drifting’ aspects highlighted.
By contrast, positivist studies, such as the traditional Planning School (i.e. Porter, 1980; 1996) and also those researchers using, for example, contingency theory to guide their research inquiries, often assume that strategy is a unitary phenomenon, a ‘black box’, which provides stable solutions and which remains constant in different localities. Strategy, in such studies, is often divided up into different categories – such as cost leadership versus differentiation strategies, with each category being reasonably ordered and coherent from which little deviation, or leakage, is to be expected. Furthermore, strategy is often thought to drive organisational ‘structure’ and behaviour in predictable ways.

In summary, this paper proposes that strategy and strategic visions are best conceived of as abstract phenomena, as boundary objects, which neither have fixed, definable properties, nor provide a stable solution. Instead, ‘strategy’ can be inscribed differently in individual site-use. Strategy resides neither in an individual nor a technology but in a chain of relations between actors. It is defined relationally through the linkage between multiple and diverse actors and actants.

‘Strategy-Making’ as Translation (How Does Strategy Emerge, Unfold and become Realised?)

Conceptualising strategy as boundary objects leads to the reasoning that ‘strategy making’ or ‘strategising’ is a process of translation. Translation refers to how a strategy theme, or boundary object, is transformed from an abstract concept, a boundary object, into actual strategising activities in actor-networks.

The word translation was first derived from the work of Michel Serres, and was later taken up by Callon (1986), who suggested that translation comprises four steps: problematisation; interessment; enrolment; and mobilisation of allies. Translation has also been defined as “a term that criss-crosses the modernist settlement….. (and) refers to all the displacements through other actors whose mediation is indispensable for any action to occur” (Latour, 1999, p. 311). In more recent times, translation has been used to describe the movements of different forms – of knowledge and cultural practices but also of technology and artifacts (see Czarniawska and Henes, 2005, p. 9), and to illustrate how ‘something becomes something else’, how objects take on different forms contingent upon the webs of relations and actor-networks within which they are situated. Importantly, translation is intertwined with the construction of power, and the mechanisms deployed to that end. Callon and Latour (1981, p. 279), for example, refer to the power mechanisms involved in translation, and define translation as “the negotiations, intrigues, calculations, acts of persuasion and violence, thanks to which an actor or force rakes, or causes to be conferred on itself, authority to speak or act on behalf of another actor or force”. Law (1992, p. 366) also refers to the power laden nature of translation and denotes this as “the process…..which generates ordering effects”.

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The above definitions all illustrate that the concept of translation is concerned with action and movement – with action making. Studying translation entails investigating micro-level actions and activities, as related to negotiations, acts of persuasion, mobilisation of allies, enrollment of actors and the movement of different forms (Callon and Latour, 1981). Systems, or social phenomena (such as strategy), are not assumed to unproblematically converge on some predestined aim. Instead, translation implies a more fluid, more process oriented form of research inquiry. It is directed at the micro-activities of a multitude of, often, heterogeneous actor. Furthermore, translation is not finite and cannot easily be temporally or locality bounded as processes of translation never end. Instead, translation is an ongoing process that requires continuous stabilisation and enrolment of actors to secure the ongoing performance of the network and to shield the network against any threats or anti-programmes that may act in ways to disrupt its continued performance.

In contrast to the performative lens discussed here, ostensive studies, such as the contingency studies referred to previously, spend little time analysing the continuous making up, or fabrication, of social life (and strategy) by many organisational actors and actants. Instead, in the ostensive school, strategy is often assumed to be already ‘made up’ by senior management teams, who then have to monitor the ‘implementation’ lower down the organisational hierarchies. Such assumptions typify the genre of strategy research known as the ‘Planning School’ (Porter, 1980; 1996). This school embodies the following assumptions about ‘strategy’ (Tryggestad, 2005, p. 34):

1. "The dematerialised cognitive assumption that strategy is primarily a domain restricted to the rule-based cognition, such as formal planning.

2. The managerial assumption that strategy is primarily a domain restricted to formal higher-level positions.

3. The human-centered assumption that strategy is primarily a domain restricted to humans – their cognition, plans, intentions, rules, actions etc."

In contrast to the Planning School, this paper seeks to emphasise that strategy-making is a continuous process that involves, not only senior managers, but many actors in many sites including also non-human actants, such as accounting concepts and templates. Strategy emerges in and through heterogenous networks of practice, and is shaped by human and non-human actors (in contrast to point #3 above). It is formed in discursive ways, in and through actor network experiences, activities and connections, not merely by an elite group of ‘higher level’ actors (in contrast to point #2 above). Here, strategy is not known ‘prior to’ and strategy making cannot be restricted to rule based cognition such as formal planning (in contrast to point #1 above). Instead, there is no fundamental formula or ‘formal plan’ to understand the coming into being of strategy in organisations and society. Strategy, similar to the nature of society, is negotiable, a practical and revisable matter, which cannot be determined once and for all. Strategy making, or strategising, concerns the activities undertaken by many organisational actors, and the translation and localisation of an
organisation's strategy themes into practical activities. The performative view thus emphasises the ‘act of doing’, not ‘being’. To this end, we use the verb ‘strategising’, as opposed to the ‘black boxed’ noun ‘strategy’.

The conception of ‘strategy as translation’ is consistent with, although different from, earlier process-oriented strategy research. For example, Mintzberg’s (1988, p. 72) process-based perspective critiques the top down approach of the Planning School and argues, instead, that strategy is an iterative process where “formulation and implementation often merge into a fluid process”. Mintzberg’s (1987; 1988) original work on strategy differentiate between the planning of strategy and the crafting of strategy. He advocates a process perspective and uses a ‘crafting’ metaphor, arguing that strategy making is not a deliberate process whereby ‘strategy’ is first formulated (thinking) and thereafter implemented (action) in a linear manner. Instead, strategy “walks on two feet, one deliberate, the other emergent” (1988, p. 79). Thought need not precede action. Instead “formulation and implementation merge into a fluid process through which creative strategies emerge” (1988, p. 72).

While Mintzberg does focus on process and hints at the fusion between ‘formulation and implementation’, he does not actually argue that strategy can only be constituted through everyday practice. Nor does he view strategising as a network effect performed by human and non-human actors. Whittington (2003; 2004; 2006) goes some way in addressing this. He argues that strategy ought to be studied as a social practice, focusing on the actual activities and daily routines of strategy practitioners inside organisations, as opposed to the prescriptive, often quantitative and detached practices advocated by modernism. Strategising, according to him, is not necessarily performed on a grand scale, and is not a scientific exercise performed by distant men in ‘white coats’. Rather, strategising involves mundane, often take for granted, routine activities. Therefore, studying strategising should focus on the daily routines and actual activities of strategy practitioners inside organisations, as opposed to the prescriptive, often quantitative and detached practices advocated by modernism. Whittington turns strategy towards a more sustained empirical focus on practice, and his agenda offers the prospect of strategy evolving from a disciplinarily normative and prescriptive practice to one that is wholeheartedly empirical in its focus on the ethno-methods of everyday strategists.

We clearly agree with the Practice theorists, such as Whittington, but would like to further emphasise the agency of non-human actants, such as accounting inscriptions and calculations, in the translation and realisation of strategy.

Translating Strategy via Accounting (Who Are the Strategy Makers?)
The translation of a strategy theme from an abstract boundary object into practical activities is made possible in part by material artefacts and non-human actants, including, for
example, financial templates and accounting numbers. The significance of non-human actants is a theoretical contribution of the Performatives lens, and a point of differentiation between this paper and the Process and Practice approaches (see again Table 1), which yet have to pay more attention to the agency of non-human actants in strategising.

Latour argues that an actor is made to act by many actors and that we can never be sure who is acting when someone acts. A person is never alone in carrying out action (Latour, 2005, p. 46):

To use the word ‘actor’ means that it is never clear who and what is acting when we act since an actor on stage is never alone in acting.

Indeed, Latour (2005, p. 198) argues that action is dislocated, diffracted, re-dispatched and redistributed via non-human actants. He (2005, p. 50) explains:

By definition, action is dislocated…. the most powerful insight of social sciences is that other agencies over which we have no control make us do things.

If people are not alone ‘on stage’ when they carry out action, and if action is indeed dislocated and diffracted, one may ask ‘what makes actors act?’ What “makes someone do something” (Latour, 2005, p. 51); and what makes many men act “like one man” (Callon and Latour, 1981, p. 279)?

Latour suggests that to understand “what makes someone do something” requires an investigation of the non-human actants, or inscriptions, that affect human activity and action. He specifically encourages researchers, as fact-gatherers and fact-producers, to be attentive of the many non-human actants (such as accounting systems and numbers) that operate, move, transform and influence actors as people travel through life. Control over human activity and action should not mistakenly be confined to human actors just because they are more visible ‘on stage’. Indeed, “Those who are powerful are not those who ‘hold’ power in principle, but those who practically define and redefine what ‘holds’ everyone together” (Latour, 1986, p. 273). Thus, researchers should not be fooled by the subtle and seemingly passive nature of material artefacts and non-human technologies. Despite their subtleness, non-human actants have agency. They embody patterns of use, and inscribe programmes of action, which affect, structure and even organise activities on behalf of actors. Latour points out that non-human actants carry effects, although with silence, and asks how we can understand the functioning of their agency; - how can we “make actants talk?” (Latour, 2005, p. 82).

The solution, he suggests, is to investigate what actants make actors do.

Callon (1991) likewise highlights the significance of non-human actors. He explains that processes of translation include intermediaries and processes of mediation where actors
are drawn into relationships through intermediaries. An intermediary is anything that passes between actors, which define the relationship between them. Intermediaries may include: Inscriptions (texts); Technical artefacts (i.e. data projector); Human beings (with the skills, knowledge, and know-how they incorporate); Money; and others. Callon highlights that these intermediaries describe their networks in the literary sense of the term. Importantly, they also compose the network by giving them form.

Latour (2005, p. 38-39 and p. 58-59) more recently differentiates between two types of non-human actors, namely intermediaries and mediators. Intermediaries convey and transport meaning, but do not cause transformations to take place. Defining its input is enough to define its outputs. In contrast, mediators transform, distort, translate and modify practices. Sometimes such transformations may even cause for unexpected things and ‘aliens’ to pop up. Their input is not always a good predictor of their output.

For the purpose of this study, we propose that the translation of strategy comprises two interrelated aspects in which accounting holds a dual role, - as an intermediary and a mediator (Latour, 2005). The first aspect concerns making ‘visible’ the boundary objects (the strategy themes) and the means and tangible representations (such as accounting numbers and templates) deployed to that end. In this case, accounting acts as an intermediary, which transports meaning and provides visible representations of strategy, without necessarily changing actions, let alone creating unanticipated outputs. The second concerns the transformative powers of accounting and the many acts of interessment and enrolment (incalculation, persuasion and framing) deployed to persuade and enrol actors into strategising. Here, accounting acts as a mediator (or inscription), which transforms practices, sometimes in the interests of others. At times, accounting may even create new, unexpected outputs, including, for example, new strategising activities.

A practical illustration of a non-human actant and how it enrols actors, affects human activity and gives actors form is illustrated by software programmes and the programmes of actions these technologies embody and inscribe into users. For example, during a software design process, the developer of a software programme (such as an accounting system) works out scenarios for how the system will/should be used. These scenarios are then inscribed into the accounting program, which in turn determines the actions, criteria and sequencing of activities that the user of the programme must undertake. By encoding the criteria, scenarios and the sequencing of activities, the technology becomes an actant imposing its inscribed programmes onto users. The actants makes actors act in certain ways. The software defines roles, activities, structures and sequences of actions. It is an inscription, which mediates knowledge and frames, regulates, structures, organises, normalises, stabilises and even de-stabilises social activities and action. Human action is
dislocated via the technology, and the inscription becomes an actor which makes people act. In the words of Callon and Latour (1981, p. 286), a non-human actor is:

any element which bends space around itself, makes other elements dependent upon itself and translates their will into a language of its own. An actor makes changes in the set of elements and concepts habitually used to describe the social and the natural world. By stating what belongs to the past, and of what the future consists, by defining what comes before and what comes after, by building up balance sheets, by drawing up chronologies, it imposes its own space and time. It defines space and its organisation, sizes and their measures, values and standards, the stakes and rules of the game – the very existence of the game itself.

Accounting is an important ‘inscription device’, or non-human actant, which makes actors act and do specific ‘things’ in an organisational, social and strategising context. It is thus no surprise that Latour’s ideas and theory is being adopted by a growing number of accounting researchers to inquire into accounting related issues. Common to these is an illustration of the significance of accounting in inscribing strategy into organisational practices. They, for example, illustrate how accounting makes possible action at a distance (Miller, 1991); translates between contexts and facilitates intervention at a distance (Kirk and Mørløs; 1996); affects organisational change and stabilises diverse interests (Briars and Chua, 2001); mobilises organisational members in a particular direction (Lowe, 2001); intervenes into the management of knowledge resources and constructs new power relations (Mørløs et al., 2001); creates for different loci of control and feelings of being controlled (Quattrone and Hopper, 2005), and acts as an objectification device which translates an abstract strategy idea through network building also allowing customisation to occur. Common to these studies is the dislocation of action via accounting. Here, control over action should not mistakenly be confined to human actors just because they are more visible ‘on stage’. Non-human actors, despite their seemingly passive nature, are worthy a researcher’s attention. They carry effects and influence action.

Tryggestad (2005; see also Clegg et al, 2004), similarly, emphasises the significance of non-human actants in his review of conceptions of strategy and how these differ between different theoretical perspectives. He contrasts the Practice (Whittington) and Process (Mintzberg) Schools, with those of the Planning School (Porter), and with those of the Performative School (Latour, 2005). He (ibid, p. 40) argues:

- In the planning- and critical perspectives it is the researcher that defines strategy (and reasonable practitioners agree).
- In the process- and practice perspectives it is practitioners that define strategy (and researchers collect their definitions).
- In the performative perspective, it is humans together with materials and associated artefacts of technology that define strategy through practice (and researchers attempt to describe the chain of events).

In summary, this study addresses issues left unexplored in the Planning, Process and Practice based theories of strategising, and directs “attention to the possible ways strategy is performed through the material relations of technology” (Tryggestad, 2005, p. 39). It
examines the dislocation of human action via accounting, and how these (powerful) actants assist translate or convert strategy from an abstract concept into strategising activities. How do non-human agents assist enrol human actors? What are their roles in translating the interest of the corporate centre into subsidiary activities, and in framing and governing strategising activities at a distance? How does accounting come to operate as powerful agents and mediators of strategy in a global network of practice? Or in other words, how do global strategies become spread in time and space via accounting?

Such questions are relevant for a number of reasons, including the need to better understand the linkages between accounting and strategising, as called for by Chapman (2005), and also our curiosity as to how accounting-strategy controls operate in a global network, where large geographical distances separate (those commonly thought to be) the ‘designers’ and ‘thinkers’ of strategy and those ‘performing’ and ‘acting out’ strategy on a day to day basis.

3. Research Methods and Site
This section reviews the research methods used in the study. The performative ontology discussed in Section 2, and the assumptions it makes about the essence and movement of strategy, has implications for our research methods, as discussed in the following.

Ontological Assumptions Informing the Choice of Research Methods
Like Latour, we are interested in researching actor-networks, using a performative ontology. This has implications for the research methods used to investigate strategy making. In the following, two of these implications are discussed. These are informed by the performative principles of ‘action in the making’ and ‘dislocation of action’.

The first assumption is that strategy is constructed ‘in the making’, in chains of relations between actors (as discussed in section 2). This has implications for research methods. It requires researchers to retrace the footsteps of people inside actual organisations as they go about ‘fact fabrication’ and strategy making. In the Latourian language, it requires an investigation of the many different worlds the actors are elaborating for one another (Latour, 2005, p. 49). Thus, in this study, we have followed actors ‘in the making of strategy’ inside an organisation and investigated the network within which actors performed and made up strategy. We traced the footsteps of subsidiary actors as they went about ‘acting out’ everyday life and ‘making strategy’, and the global network within which they operated and were connect to. This contrasts to ostensive theorists, who (as previously discussed) tend to create on behalf of the actors a pre-defined context as to ‘what strategy is’ and ‘what it is made off’. The performative lens also enabled the researchers to follow how strategy changed and unfolded over time. Doing so allowed for insights into shifts in the form and ‘shape’ of strategy across space and time.
The second assumption posits that ‘human action is dislocated via non-human actants’ and that material objects have agency (as discussed in Section 2 above). This also has implications for research methods. Specifically, it requires researcher to be attentive to how seemingly passive or static objects shape social life. It requires researchers to be attentive of the non-human actants and how such non-human actants give ‘dimension’ to social life. “What circulates, so to speak ‘inside’ the linkages or conduits that connects actors in an actor network are the very acts of giving something a dimension” (Latour, 2005, pp. 219-20). Thus, performative researchers investigate not only how people are connected to each other via non-human actants, but also how such actants, - these seemingly passive ‘entities’ - make people act, how they give ‘dimension’ to social life and transform human action and in this case strategising.

As such, the performative lens has implications for data collection. Performative researchers neither part take in defining the attributes of strategy (as positivist theorists do in the Planning School), nor do they restrict their observations to human-centred interactions (as Process based researchers tend to do). Performative theorists instead attempt to describe the chain of events that constitute strategising activities, tracing human and non-human actors and how they coalesce in strategy making and fact fabrication.

**Data Collection and Analyses**

The case study organisation is one of the largest organisations in the world. There are three main locations of relevance to this study. These include the corporate centre in the USA, the regional centre in the Asia Pacific (APAC) and the Australian subsidiary. The corporate centre in the USA oversees the global operations and sets the strategy themes for the corporation, and the fifty-one subsidiaries. The APAC centre manages the subsidiaries in the Australasian region, focusing mainly on sales, operations and finance. The subsidiaries sell the corporation’s products and develop and manage distribution channels, partnerships, customer and community relations in local markets. The Australian subsidiary employs approximately 600 staff and has a partner network of approximately 14,000.

Data collection was conducted over an 18 month period. During this time, the strategising activities of actors at the Australian subsidiary were followed over a full calendar year from October 2005 to October 2006. Follow up visits were conducted during the 2006-07 calendar year to affirm or extend the research observations from the previous year. A total of fifty-three semi-structured interviews were conducted and eighty-nine meetings and workshops attended in addition to the many informal gatherings in the café, corridors or at strategy retreats.
The fifty-three semi-structured interviews, with Managers and Senior Leaders, lasted between forty and ninety minutes. Summaries and observations from the interviews were written up shortly after each interview, usually within twelve to twenty-four hours. In situ observations were conducted during eighty-nine meetings over the eighteen months period. This included strategy workshops, planning, budget and ‘synchronisation’ meetings, operations meetings, Senior Leadership Team (SLT) meetings, performance review meetings, and rehearsal meetings in preparation for performance review meetings. These range from two people to over 600 people. Many were with larger groups of people (twenty and above) from all levels of the organisation. When permitted by the meeting participants, the meetings were recorded on a digital voice recorder. When digital recording was not possible, detailed notes were made on a laptop computer during the meeting. Over three hundred and fifty A4 pages were typed up during this period recording detailed information about the meetings and meeting conversations. Attention was paid not only to ‘what was being said’ and ‘not said’, but also to symbolic gesturing and body languages, such as ‘who sat next to who’, ‘whom of the participants spoke the most’, ‘who seldom spoke’ and ‘who were not invited to participate in meetings’. In situ observations enable the researcher to develop insights into the practical activities undertaken by actors in ‘strategy making’. These informed the main part of the data analysis. In situ observations differ to semi-structured interviews in that they enable the researcher to follow actors ‘in the making’ and trace the footsteps and actual activities that unfold during strategy making. Observations provide insights into ‘what people do’, not merely ‘what they say’, as when interviews are used in isolation, thus supporting a practice based view of strategy making.

A wide variety of business documents relating to the corporation’s strategy themes and accounting templates was collected and analysed during the eighteen months period, totalling approximately seven hundred files, or 800MB of electronic data. These included business plans, strategy memos and slide presentations, templates with information about subsidiary performance, financial statements (including budgets, forecasts and ‘accounting cascades’), performance surveys and measures (including customer, partner, community, employee and financial measures), and business policies and procedures. News articles about the corporation were also collected from public media sources during the eighteen months period.


This section provides empirical evidence of the translation of the organisation’s strategy themes, from abstract boundary objects into practical activities via accounting. Sub-section 4.1 introduces the three strategy themes of the case study organisation, namely the customer experience, growth, and productivity strategy themes. Sub-section 4.2 investigates the translation of the strategy theme, in the form of three mini-cases, and
traces the strategising activities undertaken by subsidiary actors as a result of the accounting actants used by the corporate centre.

4.1. Strategy Themes at the Case Study Organisation

The Customer Experience Strategy

The customer experience strategy was introduced by the corporate centre in the USA in 2001. The objective for this was to improve customer and partner satisfaction and enhance the corporation's image amongst those it serves, including the community. It led, among other, to the creation of a new position, a Director of Customer and Partner Experience, at all subsidiaries, and also a Citizenship program intended to build trust in the community and improve the corporation’s image and reputation amongst its stakeholders.

The Growth Strategy

In 2005, the corporate centre introduced another strategy theme, namely to grow the business. The prioritisation of growth, and specifically double digit revenue growth, was started by corporate executives, who were under pressure to address concerns voiced by Wall Street analysts and ‘build more growth into the share price’, which was below the par of the corporation’s competitors. As a result, in 2005, subsidiaries were asked to come up with subsidiary specific growth initiatives intended to grow the business (and specifically revenue) over and above ‘business as usual’ (see Mini-case #1 below for details).

The Productivity Strategy

Whilst growing the business and creating for happy and satisfied customers was of ‘strategic significance’ to the corporation, so was organisational productivity. ‘Productivity’ is concerned with the efficient utilisation and return on the corporation’s assets, most commonly measured as ‘cost of sales’. Among others, the productivity strategy was manifested in the introduction of a worldwide employee productivity trainings program intended to achieve a reduction of seven million man hours over a twenty-four months period. It had also resulted in the development of a new productivity measurement tool by the corporate centre called the ‘True View Tool’, which benchmarks the fifty-one subsidiaries around the world on a series of productivity measures such as cost of sales, head count and contribution margin (see Mini-case #3 below for details). This initiative ties in with a corporate productivity project, done by a team of US consultants, intended to reduce variations in productivity levels across subsidiaries and to provide cost of sales directions for the customer segment and set targets for future years. The project was anticipated to deliver an increase in contribution margin of US$250 million worldwide in one year.

4.2. Translating Strategy Themes and Enrolling Actors in Strategising via Accounting
Figure 1 illustrates the conceptual frame developed to study the translation and inscription of the case study organisation’s strategy themes via accounting. The Figure shows the case study organisation’s three strategy themes, or boundary objects, labelled ‘customer experience’, ‘growth’ and ‘productivity’. It also shows the accounting actants, the carriers and mediators of the strategy themes, or in the Latourian (2005, pp. 196-198) language the ‘structuring templates’ or ‘stabilising tools’, that assist in translating the global strategy themes into local sites. These are the ‘vehicles’ used to transport the corporation’s strategy themes from the ‘global’ corporate centre into the fifty-one ‘local’ subsidiaries around the world, and back again. The five accounting actants include the: True View Tool, Subsidiary Scorecard, Accounting Cascades; Mid Year Review (MYR) Templates; and the Rhythm of the Business (RoB) Templates.

Figure 1: Translation of the Corporation’s Strategy Themes (the Boundary Objects) via Accounting Actants

In the following, examples are provided, in the form of three mini-cases, of the strategising activities undertaken at the Australian subsidiary as a result of the corporate accounting actants (specifically, the MYR Templates, the Accounting Cascades and the True View Tool; Table 3 summarises these). We examine the agency (role, characteristics and effects) of the three accounting actants in strategising (Table 3).
Table 3: Local Strategising Activities Resulting from the Global Accounting Actants

<table>
<thead>
<tr>
<th>Accounting Actant used by the Corporate Centre</th>
<th>Mini-case #1</th>
<th>Mini-case #2</th>
<th>Mini-case #3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Request for Growth Targets via MYR Financial Templates (end 2005 to early 2006)</td>
<td>'Guidance' on Budget Targets via Accounting Cascades (first half 2006)</td>
<td>True View Tool and productivity benchmarking (mid to end 2006)</td>
<td></td>
</tr>
<tr>
<td><strong>Strategising Activities at the Subsidiary resulting from the Accounting Actant</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completion and Rehearsals of MYR Presentations</td>
<td>Review of Sales Director Quotas (new)</td>
<td>Outsource tele-sales (new)</td>
<td></td>
</tr>
<tr>
<td>Investment Prioritisation Exercise (new)</td>
<td>Level Order Planning (new)</td>
<td>Review of under achievers (new)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Building a Culture of Accountability (new)</td>
<td>Consolidation of business functions (new)</td>
<td></td>
</tr>
<tr>
<td><strong>Linked to Strategy Themes (Boundary Objects)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>Growth</td>
<td>Productivity</td>
<td></td>
</tr>
<tr>
<td>Customer Experience</td>
<td>Productivity</td>
<td>Customer Experience</td>
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<td></td>
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</tbody>
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**Mini-case 1: Corporate Request for Growth Result in Three Growth Initiatives, a 'New' Strategy Theme / Strategic Vision and an Investment Prioritisation Exercise**

In 2005, the corporate centre made ‘growing the business’ a strategic priority worldwide. Subsequently, the fifty-one subsidiaries around the world were asked to come up with ‘revenue growth targets’ (preferably double digit) and illustrate how they would grow their local businesses ‘over and above business as usual’. In the following, we trace the strategising activities that resulted from, and were triggered by, the corporate centre's request for ‘double digit growth’ at the Australian subsidiary and the inscription of the growth strategy via the financial templates. Besides illustrating the structuring effects of the MYR financial templates, the section illustrates the persuasive, even seductive, qualities of accounting numbers in strategising, and also the hierarchisation of growth initiatives via accounting numbers.

**Call to Action - Seducing Actors via Accounting Numbers**

The growth request from the corporate centre was part of the corporation’s empowermentxvi initiative intended to delegate more decision making powers to the fifty-one local subsidiaries. Traditionally, strategy making had been a ‘centralised’ activity directed by the corporate centre in the USA. In 2005, for the first time ever, the subsidiaries around the world were asked by the corporate parent to develop subsidiary specific growth initiatives, revenue targets and also investment requests to show how they would grow their local businesses ‘over and above business as usual’. This was to be done for a three year
time horizon running from the Financial Year 2007 (FY07) till 2009 (FY09). The results and suggestions were to be presented to the corporate executives by the Australian Senior Leadership Team during the 2006 MYR, held on January 13, 2006, at the Asia-Pacific regional office in Singapore. The call for growth was reflected in the corporate centre’s MYR Kick Off message, which highlighted that an important objective of the 2006 MYR was to “Discuss Long Term Growth Opportunities (new focus area for FY06)”\textsuperscript{xxxii}. Promises were made by the corporate centre that additional funding would be allocated to fund the recommended growth initiatives at the subsidiaries.

The corporate centre’s call to ‘grow the business’ filtered through to the Australian subsidiary with transformative effects and sparked off a series of strategising activities. These activities started in October 2005, when the subsidiary actors initiated their ‘search’ for growth opportunities in the local market. ‘Experts’, including five Strategy Consultants from a large consulting firm and also a Freelance Strategy Consultant, were brought in to assist with the growth initiatives and help the subsidiaries ensure a ‘successful’ MYR. Five full day strategy workshops with approximately thirty-five Directors and Senior Managers (called Senior Leaders hereafter) were conducted, along with a series of meetings and smaller workshops between the Consulting Team and Senior Leaders. Following the corporate centre’s call ‘to grow the business’, the key focus of the strategy workshops was to come up with ‘double digit’ revenue growth targets and develop subsidiary specific initiatives to ensure the business would achieve the targets. The call for growth thus travelled from the capital markets in the USA (the Wall Street analysts), to the corporate centre and from there into the many local subsidiaries around the world. At the Australian subsidiary, the Managing Director and Consultants were charged with leading the change agenda.

Introducing the growth strategy theme into the subsidiary required mobilisation of support and ‘buy-in’ from the thirty-five workshops participants. Accounting numbers came to play an important role in enrolling actors and legitimising the growth strategy themes and also the strategising workshops, which were being approached with scepticism by some workshop participants. Indeed, during the initial two workshops, many of the Senior Leaders at the subsidiary remained unconvinced of the purpose of the three year strategy exercise. This was influenced by previous ‘unsuccessful’ strategising attempts at the subsidiary. For example, during the first workshop, comments were made that “this is a repetition of last year” (Participant M) and that “the real issue is internal constraints and problems in operations” (Participant B). Similarly, Participant B highlighted in an interview that “in the past, we have never gone from the achievement of the plan to the actual execution of the plan……”. Another interviewee likewise remained sceptical and pointed out:

we’ve had these management consultants in before, but nothing changes anyway…… so why should it change now?…… I support the process but am not
Accounting numbers came to play an important role overcoming such scepticism and were used both by the Managing Director, the Freelance Consultant and the Finance Director to help persuade and enrol local actors. In fact, numbers seemed to help bring out a dream/play-mode in people, to expand the range of possibilities, and to lure, even seduce, them into imagining a different, possibly, better future of glory and adventure. During this time, metaphors, such as big ‘hairy numbers’, were also used extensively and there was a lot of talk about finding the ‘Big Rocks’, discovering the ‘Big Hairy Growth Numbers’ and achieving ‘Double Digit Growth’. One example of the persuasive, even seductive qualities, of accounting numbers was seen during the opening speech of the first strategy workshop, labelled “Our Imperative For Growth”, where the Managing Director made a ‘call to action’ and outlined three scenarios for how the subsidiary’s revenue performance could look in the future. One of these showed a $1 billion (bn) revenue target three years out, with the two other scenarios showing less attractive revenue scenarios. The Managing Director referred to the possibility of reaching the $1bn revenue target and provided illustrations of what ‘double digit growth’ would ‘look like’ and could ‘result in’. He mobilised support and attracted interest by asking the Senior Leaders “where do we position ourselves?” and “is it possibly to do this – to reach the $1bn in 2009?” pointing at the $1bn revenue target. Feedback was given from the floor and many agreed that ‘the $1bn could, and should, be their target’. The $1bn revenue number seemed to entice, almost seduce, the somewhat sceptical actors into strategising. Lured by the promise of adventure and the opportunity to explore new land and unknown territory, local actors started to ‘buy into’ the growth strategy. The $1bn number seemed to create association and imaginations of a different, possibly, better, future, and it was the desire to realise this that persuaded the Senior Leaders to partake in the strategy workshops and the many forthcoming strategising initiatives. Here, the inscription was critical to capturing the ‘hearts and minds’ of subsidiary actors and enrolling them into the global actor network.

Later in the morning, the Freelance Consultant likewise used accounting numbers to attract support and mobilise interest. This was resembled in her discussion of the revenue growth rates required to reach the $1bn target three years. She problematised the situation by saying “you are still only on 5-6% growth year on year” and “that is just not enough to reach the $1billion target three years out”. Much higher growth rates were needed. She also painted a picture of the possibility of getting a front page story of the Australian Financial Review, with the heading “how did they do it….. how did they reach the big hairy growth number?”. Metaphors and accounting numbers were used to create visions and aspirations of ‘what the future could look like’ and to enroll actors into strategising. Notably, the consultant seemed to appeal to people’s identities, their sense of self. For example, it was by achieving double-digit growth that ‘stardom’ and recognition could be achieved. It was
such promises of being ‘famous’, of being held up in the local news as ‘star performers’ that persuaded and enrolled people into strategising. People were lured by the potential of reaching the ‘big hairy growth number’ of $1bn, heralded as a ‘distant’, yet possible, goal, by the Managing Director and Consultants alike. Indeed, the numbers held the key to recognition, possibly even stardom.

Similarly, numbers were used by the Finance Director to mobilise support and appeal to people’s sense of self and identity. During a presentation called “What do the Numbers say?”, he showed a slide with the corporation’s share price from a US stock exchange, also listing the corporation’s last 12 months of sales, net income, price earnings ratio, and earnings per share in comparison with thirty of the corporation’s competitors. The Finance Director used the slide to point out that the corporation was “underperforming relative to its competitors” especially on the EPS ratio and the share price, emphasising that “capital markets are not rewarding the company” and that “there is not enough growth built into the share price”, thus echoing the concerns and request for growth made by the corporate centre. The Finance Director ‘problematised’ the situation by referring to the declining share price and the low price earnings ratio relative to the competitors. He said “we are not leading anymore”, thus also appealing to people’s sense of self, their identity and pride. He concluded with a ‘call for action’, raising the question as to “what do we need to do to get there?”, to achieve the $1bn growth target and to boost the share price. Here, the Finance Director mobilised support by using accounting numbers to demonstrate the poor performance of the share price; he even went as far as to provide a solution for how to ‘rescue’ the declining share price and restore people’s pride and sense of self as the ‘market leaders’, namely to agree on the $1bn as a three year target, - to make this everyone’s hairy, ordacious goal.

During this time, the initial scepticism felt during the first parts of the workshop somewhat lessened, although not completely. Participant B and Participant M ceased to ‘disrupt’ the conversations and presentations, as they had done initially, and the atmosphere during the second and third days of the strategy workshops changed with more people engaging in the conversations and expressing their support for what was being done by the Strategy Consultants and Managing Director. It seemed that enrolment had been successful, local actors were ‘buying into’ the new strategy theme and strategy workshops.

These empirical examples illustrate how the construction of accounting numbers as representations of the growth strategy theme ‘filtered down’ within the subsidiary, where support and interest was mobilised through the use of metaphors and images of ‘double digit growth’, ‘big hairy growth targets’ as well as promises of a more prosperous future and a restoration of market leadership and pride. The search for growth proliferated the actor network and became a key focal point at the subsidiary, replicating the concerns and
interest of the Wall Street analysts and the corporate centre. Important to this enrolment process was the construction of the argument that the ‘corporation was not leading anymore’. A lower ranking position relative to the competitors seemed to upset people’s identity and their sense of self, and it was the desire to resume the position as ‘market leader’ that persuaded and enrol actors. The $1bn ‘magic’ revenue number played a particularly important role in this. It became the solution to restoring people’s pride and sense of self. People were seeking to live up to a desired image of themselves, defined in part by the Wall Street analysts and the corporate centre and the revenue target became the media through which this imaginary self could be realised and the recognition and praise of distant actors earned. The magic number seemed to lure, even seduce, people into imagining a more promising future where market leadership could be regained and their identity and pride restored. Whilst on the one hand the inscription inscribed the desires and expectations of distant corporate actors, it also seemed to have expanding potential. It brought out the dream/play-mode in people and opened up a wider range of possibilities to local actors. The number fascinated people who were lured by the promise of adventure, – to visit unknown territory and explore and discover foreign land, - yet also by their desire for recognition, praise and to earn the love of distant actors. The $1bn big hairy growth target seemed to not only prescribe a given corporate agenda, it also became a catalyst for imagining a better future and restoring an idealised sense of self.

The Managing Director, Consultants and Director of Finance became the key ‘advocates’ and media through which the corporate centre’s (and Wall Street analysts) call for growth was ‘funnelled’ into the subsidiary, yet, it was because of the imaginary qualities of accounting numbers and their potential to restore people’s pride, identity and sense of self that subsidiary actors started to ‘buy’ into the new strategy theme.

Once support for the $1bn revenue growth target three years out had been mobilised, subsidiary actors were faced with questions as to ‘how to achieve this target’. They now needed to find solutions for ‘how to get there’ This required new strategising activities, new responses and solutions, as follows.

**New Subsidiary ‘Strategy Theme’ and ‘Growth Initiatives’ Resulting from the Call to Grow the Business – Accounting Numbers continue to Persuade and Seduce Actors**

Solutions for how to reach the $1bn magic number were found in a ‘new’ subsidiary strategy / strategic vision labelled the ‘customer experience strategy’. The strategic vision was decided on during an ‘exciting’ half day workshop exercise where Subsidiary Leaders were given five choices for which strategic vision they believed could best help them achieve the $1bn target. The ‘new’ strategy theme was represented in a drawing called ‘the House’ (Figure 2, which summarised the subsidiary’s three Year Vision (i.e. to Drive Growth through Exceptional Customer Experiences); the Strategic Goals (i.e. Win, Drive,
Great); and the Transformation Agenda, which included growth initiatives and five horizontal pillars showing initiatives across the business (see Figure 2). Here, the magic $1b growth target three years out assisted in translating ‘growth’ from an abstract boundary object into visible representations of strategy, against which subsidiary actors could act. Importantly, it also transformed action and became a catalyst for change and expansion. It was the aspirations to achieve ‘double digit growth’ and as a result of the seductive qualities of $1bn ‘magic number’ that the many growth initiatives and strategising activities shown in the House started to unfold. Of all the elements in the House (Vision, Goals and Agenda), the growth initiatives were given most focus as these were directly linked to the subsidiary’s three year revenue growth target.

**Figure 2: The House**

Developing the growth initiatives was neither an easy nor an unproblematic affair and the initial scepticism of Senior Leaders towards the Strategy Consultants seemed to prevail during this time. Specifically, there was scepticism amongst the Senior Leaders as to whether the consultants were ‘truly’ adding value to the subsidiary. This was once again influenced by past experiences during which external consultants had been seen to provide limited ‘value’ to the business. For example, the Leader of Customer Segment #1 expressed the following when asked about the strategy workshops:

I’m not convinced we have achieved any tangible outcomes from what we have done. We do not have a better plan. I personally have not had any outcomes from those 5 days that have helped me……… for example, our operational issues have not been addressed. The people in the workshops do not actually know the operational issues.…….We have rushed through a 30 minute exercise to try and solve a complicated problem. That does not provide quality outcomes……. maybe this is an issue of time……

Many of the twenty-two workshop participants interviewed during this time expressed similar views.
Accounting numbers once again came to play an important role in overcoming such scepticism and enrolling subsidiary actors into strategising. For example, one meeting, during which the growth initiative for the largest customer segment, Customer Segment #1, was being workshopped, started off with a degree of scepticism from subsidiary actors (in particular the Director, Business, Marketing and Operations (BMO), Director of Finance and the Customer Segment Leader). This however changed during the meeting when one of the Senior Consultants presented a ‘convincing’ analysis with compelling revenue numbers. The Strategy Consulting Team had prepared an analysis on penetration levels into the three customer categories within the segment (high revenue, average revenue, and low revenue customers). Traditionally, customer segmentation at the subsidiary had been based on ‘company size’. The Consultants’ analysis took a different approach and segmented customers based on product penetration, showing the revenue opportunities “not yet explored” for the three customer groups. The analysis found that an additional $30mn could be generated in revenue for the three year period if the gap in product penetration between the ‘average’ and ‘high revenue’ customers could be narrowed by 10%. This would result in an increase in revenue per product installation for the average customer group of $24. The analysis also concluded that there were opportunities to increase the number of products per customer in all three customer categories. This was convincing data, and the Director BMO, Director Finance and the Customer Segment Leader all applauded the result and agreed that the analysis was great, even to the extant that they would show it to corporate executives at MYR. Again, accounting numbers had persuasive power. Support and ‘buy-in’ was achieved as a result of the persuasiveness of the accounting numbers and the Directors’ original skepticism started to wane when the growth initiatives were translated into a language which the Directors could assimilate with, and understand. Subsidiary actors started to believe in the growth initiatives when they were shown their financial relevance and when the customer experience strategy was expressed in numerical terms. Numbers became the passage point which legitimised the growth initiatives and the ‘new’ customer experience strategy theme. After the meeting, the Consultants were pleased (and relieved) that the meeting had gone so well, especially given that a number of previous meetings had been ‘shifted around’ and some cancelled due to a lack of ‘availability’ of subsidiary staff.

Many such meetings took place during the pre-MYR strategy activities in late December / Early January, resulting in the development of a series of growth initiatives for the Australia subsidiary, as discussed in the following.

*Structuring Effects of Accounting Templates - Inscribing the Growth Strategy Theme via the MYR Slide Decks – Accounting has Transformative Powers*

The development of the growth initiatives was guided, in part, by the MYR Main Tent Slide Deck, which was released by the corporate centre 6-8 weeks prior to the annual MYR. The
Slide Deck acted as an inscription device for recording the three year revenue growth targets and growth initiatives to reach the targets. The Slide Deck consisted of a series of pre-designated templates into which subsidiary actors were required to record information prior to the MYR. These entries were prepared using Slide Guidelines also issued by the corporate centre with instructions to subsidiary users on how to complete the many templates. The templates framed up front the content and nature of the discussion at MYR and what subsidiary actors were expected to act towards. The templates were structured into nine topics comprising thirteen templates. The nine topics included the: 1) State of the Business; 2) Citizenship Discussion 3) Customer and Partner Experience, including The XX Survey Results and Satisfaction; 4) Business Discussion; 5) Market View; 6) Customer Segment Map; 7) Customer Satisfaction Discussion; 8) Financial Results; 9) Long Term Growth – Customer Segments #1 and #2, and Financial Performance. Topic 9 had three slides with details about the growth initiatives and revenue growth rates for the three year period, FY07-09.

Subsidiary actors spent a vast amount of time completing the MYR Slide Decks and entering information into the pre-defined fields in the templates. During this time, they went through many rehearsal meetings in which they discussed what information to include into the templates and also how to present the information to the corporate executives at MYR. On such rehearsal meeting took place on the day of departure for the MYR in Singapore, on January 11, 2006, where the MYR delegates and their support staff met in the Boardroom to do one last ‘run through’ of the Slide Deck. The rehearsal was based on the draft MYR Slide Decks, which had been printed up in A3 color copies and were distributed to the meeting participants. This turned into a four hour review and rehearsal meeting with twenty-two Senior Leaders and many support staff.

During the meeting in the Boardroom, the Senior Leaders went through the MYR Slide Deck in chronological order and covered each of the topics in the thirteen pre-defined templates. The atmosphere was filled with tension and excitement as last minute issues were attended to by the many support staff assisting the MYR delegates. During the rehearsals, the MYR delegates scrutinised the performance of themselves and their colleagues. The templates guided their conversations and acted as structuring devices which helped organise information for the subsidiary actors. Subsidiary actors, for example, debated what corporate ‘would focus on this year’ and ‘what they were looking for’ and structured their rehearsals to this end. As they listened to each others’ presentations, they provided suggestions on ‘what to say’ to the corporate executives during MYR, ‘what to emphasise’, ‘what to expect’, ‘what to leave out’ and ‘how to position delicate issues and key points’. The voice of corporate actors was represented and transmitted via the templates, although corporate actors were not physically present. Questions were for example raised as to “how should we position this issue to corporate”, and “should we say
The templates became the media which connected local with global and which transported meaning across time-space. It organised and framed up front the content and nature of the discussions at MYR and subsidiary discussions. It had structuring, even disciplinary effects.

In the following, two examples are provided of the structuring effects of the MYR slide deck and how the 1) discussions and 2) activities of subsidiary actors were guided by the templates. These examples illustrate how the templates acted as inscription and structuring devices, which inscribed certain actions into the subsidiary.

The agency of the MYR templates became particularly notable during one discussion at the Boardroom meeting on January 11. This discussion concerned the revenue target and quota that the Australian subsidiary ‘would sign up to’ at MYR for the forthcoming financial year. The subsidiary wide target was still being discussed and had not yet been finalised and ‘locked in’, despite the work by the Consultants.xxv. The discussion was informed by MYR template number #13, labeled ‘Long Term Growth – Financials’, which had approximately 160 accounting measures (mainly revenue measures) in it. The template required the subsidiary to populate the fields with their revenue forecasts, including the revenue quota and targets that they would commit to for FY07, 08 and 09 (see Figure 3).xxvi

![Figure 3: X-axis in Template #13: Long Term Growth - Financials](image)

Based on this template, the Managing Director opened up a discussion about the revenue quota and target for FY07, raising the question “how big a quota can we sign up to”. This was linked to the initial conversations during the strategy workshops and informed by the requirement to come up with revenue forecasts for a three year time horizon. The discussion was guided by the templates and illustrates how action at a distance was made possible by the template and how ‘local’ conversations were framed and structured by ‘global’ accounting templates. In his opening comment, the Managing Director, for example, asked if “Customer Segment #1 is over quoted?” The ‘high quota’ set by the Leader of Customer Segment #1 had also been brought up during previous meetings and many suspected that the Segment Leader was ‘inflating the targets’ that he was signing up to and “playing the numbers”. This was affecting the subsidiary wide revenue target and the number the Senior Leadership Team would collectively sign up to at MYRxxvii. Whilst the discussion caused some ‘smiles’ around the table and emphasised the skepticism directed
at the Leader of Customer Segment #1, it did not produce any change in the revenue number recorded in the template. The Managing Director concluded the conversation by saying that “we’ll give corporate $xxmn, we don’t want to quote $xxmn, we first need to be sure where the $xxmn comes from”. He also (indirectly) ‘reprimanded’ the Leader for Customer Segment #1 and said:

we must have clear vision about this when we talk to the regional centre, about the difference between quota and goal. We are accountable for the quota but can set ourselves a higher goal – we must be careful not to set big goals which become quotas.

Here, the MYR template acted as an inscription, which assisted the corporate centre inscribe the growth strategy theme into the subsidiary and enrol actors. Template #13, Long Term Growth – Financials, framed and guided much of the Boardroom conversation with the MYR delegates being concerned about how much revenue quota the subsidiary ‘really’ could sign up to. The template acted as a mediator, which organised issues of importance on behalf of actors and what subsidiary actors were expected to act towards. Growth was a key concern to corporate actors as reflected in the prioritisation of this in the MYR templates with three growth slides. Subsequently, subsidiary discussions revolved around how much they could ‘grow the business’ and how much revenue quota they could ‘really’ sign up. Local actors were ‘playing the numbers’. Deciding on how much they ‘could really give corporate’ was a game of give and take, or probing, questioning and negotiating.

Template # 13 also required the subsidiary actors to record their suggested growth initiatives. Three growth initiatives were listed in the template (see Table 4), in addition to two smaller initiatives in the two smaller customer segments (Customer Segment #3 and the Consumer Segment). The three initiatives showcased in the template were the three largest initiatives in revenue terms and had been developed by the consultants and Segment Leaders in pursuit of the $1bn target three years out. The three initiatives took place in Customer Segment #1; Customer Segment #2; and in one of the Business Groupsxxvi xxix. They were the results of three months of continuous work.

**Table 4: MYR Slide with Growth Initiatives and Funding Requests**

“Investment Opportunity: Within or Beyond Empowered Productivity”

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cnt Seg #1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunity 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incr. Investment $</td>
<td>1,520</td>
<td>1,800</td>
<td>2,500</td>
</tr>
<tr>
<td>Incr. Billed Rev $</td>
<td>10,000</td>
<td>25,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Opportunity 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incr. investment $</td>
<td>2,154</td>
<td>3,700</td>
<td>4,300</td>
</tr>
<tr>
<td>Incr. Billed Rev $</td>
<td>7,986</td>
<td>21,973</td>
<td>33,442</td>
</tr>
</tbody>
</table>
Within current Empowerment? | Yes

<table>
<thead>
<tr>
<th>Business Group</th>
<th>Opp</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity 2</td>
<td></td>
<td>933</td>
<td>2,000</td>
<td>2,200</td>
</tr>
<tr>
<td>Incr. Investment $</td>
<td></td>
<td>9,600</td>
<td>20,300</td>
<td>27,400</td>
</tr>
<tr>
<td>Within current Empowerment?</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Once again, this illustrates how the template had transformative powers and sparked off strategising initiatives in local sites. It was because of the requirement to record growth initiatives and revenue growth targets ‘over and above business as usual’ into the MYR templates that the many strategising activities (such as the many workshops, smaller meetings and extensive work of Consultants and Senior Leaders resulting in the House etc, discussed above) emerged at the subsidiary. Similar to a software programme, which inscribes programmes of actions into users, the MYR templates inscribed certain actions into local sites.

The MYR templates also conveyed the relative importance of the different strategy themes. This was evidenced in the Kick Off message from the corporate centre (used to ‘release’ the Slide Deck and Guidelines), which listed the number of minutes to be allocated to discussing each of the topics in the MYR Slide Deck. Each topic was allocated time intervals where the topics of greatest importance were allocated most time whilst the topics of lesser importance were allocated less time. Long Term Growth was for example allocated 50 minutes, the State of the Business 20 minutes, Financial Results 15 minutes, and others topics, including Customer and Partner Experience and Citizenship, 10 minutes each. Thus, the Long Term Growth templates were of greater significance, as reflected in the allocation of 50 minutes to these templates, whilst Customer and Partner Experience templates were of lesser significance and allocated only 10 minutes. Here, the templates assisted in defining activities and their duration and what actors were expected to prioritise and act towards with ‘growth’ taking given highest priority being allocated 50 minutes. Templates framed activities on behalf subsidiary actors by ranking and communicating the relative importance of different strategy themes via time allocations and constraints. The structuring of importance via time allocations affected the local efforts, with subsidiary actors focusing most of their attention on the revenue growth targets and how these could be ‘achieved’ via different growth initiatives.

Thus, the MYR templates played an important role in enabling the corporate centre to transform local activities and enrol subsidiary actors into strategising. Templates acted as ‘anchor points’, which guided, structured and stabilised the activities of subsidiary actors. They enabled action at a distance and conveyed a set of expectations as to what is approved, not approved, anticipated and ‘desired’ behaviour. Criteria were inscribed into
the templates a priori by corporate actors. These in turn influenced the actions and activities of the local users. By encoding criteria and scenarios, the MYR templates imposed their inscribed qualities onto their users. They helped define space and its organisation, sizes and their measures, values and standards, the stakes and rules of the game (Callon and Latour, 1981, p. 286).

This illustrates that it was via the interaction between the subsidiary actors and the MYR templates that the corporation’s growth strategy theme became realised and translated into practice at the subsidiary. Strategising took place at the human-technology interface. Accounting manufactured a taken-for-grantedness about the ‘things’ that matter in organisational life. “For the sociologists of associations, the rule is performance and what has to be explained, the troubling exceptions, are any type of stability over the long term and on a larger scale” (Latour, 2005, p. 35). What then has to be looked at are the “vehicles, tools, instruments, and materials able to provide such stability” (ibid). At the case study organisation, the MYR templates were one of the numerous ‘vehicles’ that made durable the actor-network activities and ensured the inscription and stabilisation of the growth strategy theme in the global network. Templates performed a role and became actors, participating in making up the body politics of the social.

The corporate executives approved of the growth initiatives presented by the Australian Senior Leadership Team at MYR on January 13, 2006. The subsidiary wide revenue growth target ‘signed up to’ by the subsidiary at MYR for FY07 was 9.8%, a significant increase over the 5-6% growth rates that the subsidiary had achieved in previous years. The compounded annual revenue growth rate, for the three year FY07-09 period, was recorded at 10.1%\textsuperscript{31}. Yet, both the FY07 subsidiary revenue quota and target and also the funding requests for the growth initiatives continued to be discussed and negotiated with corporate and regional actors during the budgeting and planning period in subsequent months, from February to July 2006 (as discussed in Mini-case #2 below)\textsuperscript{31, 32, 33}.

**Investment Prioritisation Exercise - Hierarchisation and Legitimisation of Growth Initiatives via Accounting Numbers**

Following the successful presentation of the growth initiatives and targets at MYR, the Managing Director, along with other senior leaders from BMO and Finance, initiated an investment request and prioritisation exercise at the subsidiary. Seventy-four investment requests totalling over $50million were made by the local Business Leaders from across fifteen business areas\textsuperscript{34}. Three of the five growth initiatives presented at MYR got approved during the prioritisation exercise. The two smaller initiatives did not promise as high revenue returns as the other three, and subsequently these were discontinued. Only those initiatives with the largest revenue returns were approved. Here, accounting numbers and specifically the revenue and cost of sale numbers was used to rank the proposals. Numbers were used to differentiate, to hierarchise, to decide which project to select, and
which would not qualify. Cost of sales and return on revenue were key determinants and
deciding factors of which projects ‘got through’. Numbers became the common referent;
they became the passage point which legitimised the growth initiatives and the customer
experience strategy.

Concluding Summary for Mini-case #1

Mini-case #1 illustrates the agency of the MYR financial templates and accounting numbers
in strategising and how these transformed the activities of local actors and enabled action
at a distance. They became the mediators which ‘transported’ the growth strategy from
global to local, and back again, and which ‘converted’ the growth strategy from an abstract
boundary object into visible representations, against which subsidiary actors could act. On
the one hand, accounting numbers inspired change and seduced actors into strategising by
creating visions of how the future could look, by bringing the future back to the present and
by appealing to people’s pride, identity and sense of self. Yet, on the other hand,
accounting templates and numbers also defined the ‘desirable’ and the ‘doable’ on behalf
of local actors, and came to frame and structure the interest and activities of local actors.
Whilst possibly focusing and narrowing, accounting also opened up for a wider range of
possibilities. The $1bn magic number fascinated people and turned them into seemingly
capable and ‘masterful’ humans lured by the promise of adventure - the unknown and the
prospect of exploring new territory. It transformed and expanded local practices, triggering
new initiatives to unfold, including, for example, the three growth initiatives and the house,
which were not, so to speak, ‘corporate’ inventions, but rather the results of local
imaginations, reasoning, choice and strategy making. Accounting not only focused and
narrowed but also enabled a dispersion and expansion of local activities. Mini-case #2
below further traces the transformative powers of accounting, focusing on the strategising
activities resulting from the FY07 9.8% revenue targets ‘signed up’ to at MYR.

Mini-case 2: Accounting ‘Guidance’ Sparks Off a New Customer Account Segmentation, a
Review of Director’s Sales Quota, a New ‘Level Order Planning’ Exercise, and A Culture
Change Programme

Each year, the corporation goes through its annual budgeting and planning period. This
takes place following MYR, from February to July. During this time, the corporate centre
transmits a number of ‘Accounting Cascades’ via the corporation’s accounting system.
These Cascades are used to prepare the regional and subsidiary budgets for the
forthcoming financial year, which starts on July 1. The Cascades provide ‘guidance’ on the
Corporate Centre’s expectations to subsidiary performance across a range of accounting
measures, including revenue, operating expense (OPEX) and contribution margin (CM),
sometimes featuring over 300 measures. Each of the accounting numbers received in the
Accounting Cascades is linked to, and represents, a strategy theme. In other words,
‘strategy’ is represented by accounting numbers, which transforms abstract concepts into
visible representations of strategy. For example, the revenue growth targets in the Cascades transmit and ‘make visible’ the growth strategy theme. The OPEX numbers, in turn, represent the corporation’s productivity strategy theme and transform ‘productivity’ from an abstract concept, - a boundary object, into visible representations that can guide action. Similar to the MYR templates (Mini-case #1), the Cascades act as structuring devices, which transport and inscribe the corporation’s strategy themes into the subsidiary. They convey the expectations of the corporate centre and guide subsidiary activities to this end. Figure 4 illustrates a simplified structure of the accounting cascades.

**Figure 4: Accounting Cascades**

<table>
<thead>
<tr>
<th>ANZ ($)</th>
<th>FY06</th>
<th>FY07</th>
<th>YOY Variance ($)</th>
<th>YOY Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billed Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPEX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In the following, we review the strategising activities undertaken at the Australian subsidiary during the planning period in 2006 and how these were connect to and mediated by the corporate Accounting Cascades. These activities followed and were closely linked to the MYR activities discussed in Mini-case #1 (including, for example, the growth initiatives and ‘new’ customer experience strategy theme). The higher revenue quota and growth rate of 9.8% ‘signed up to’ at MYR meant that local actors were now becoming increasingly concerned about how to reach the ‘higher than usual’ revenue target. This ‘pressure to perform’ at MYR was worsened by the fact that the additional funding promised for the growth initiatives was being cut back and the OPEX numbers in the Cascade was coming in lower than expected. After adjusting for reallocations, the OPEX budget for the Australian subsidiary increased by only $1.5mn over the previous financial year, whilst the revenue growth target doubled from around 4-5% to 9.8%. Thus, subsidiary actors were increasingly concerned about how to reach the higher revenue growth target with lower funding than expected. New activities were required to ensure the higher revenue target could be achieved within the ‘tighter’ budget. The following mini-case provides examples of four local strategising activities which became connected to and mediated by accounting. It illustrates the transformative powers of the Accounting Cascades and how accounting numbers and templates narrow and focus, yet also expand and give rise to new strategising activities. Accounting not only structures activities and interests on behalf of actors, it also embodies flexibility for localisation to occur.

*Transformative Effects of the Accounting Cascades (specifically the 9.8% Revenue Growth Target) Resulting in New Strategising Activities*
Four strategising activities resulted from the ‘higher than usual’ revenue growth target of 9.8%, signed up to at MYR and now coming ‘down’ via the Accounting Cascades.

1. Customer Accounts Segmentation
The first of the four strategising activities was an in-depth analysis and segmentation of the customer accounts in Customer Segment #1. The initiative was connected to the growth strategy theme, yet also to the customer experience strategy as a ‘better’ understanding of customer needs and ‘gaps’ would result in improved customer experiences and thus help improve sales revenue\(^{xli}\). The initiative involved segmenting customers based on value (revenue) not size (as discussed in Mini-case #1)\(^{xlii}\). There was talk about how 20% of the customers ‘drive’ 80% of revenue, and how there was a lack of knowledge of who these 20% were. The analysis was intended to uncover new revenue opportunities and result in better targeting of customers. In-depth analyses were performed on the 2000 major customer accounts, led by a senior analyst from the Finance team. This had not been undertaken in such detail before. Each account was examined and future revenue opportunities assessed. This involved an assessment of recurring revenue, the time period that the revenue was scheduled to accrue, the perpetuity of the revenue and the assumptions behind this, as well as the renewal rates (for deals over $25,000). Seasonality was considered and the last five years of seasonality were averaged out to improve forecast accuracy.

2. Review of Quotas of Regional Sales Directors
The account segmentation exercise gave rise to a second new strategising initiative, namely a review of the revenue quotas of the Regional Sales Directors in Customer Segment #1. The quotas for each Regional Sales Director and his/her sales territory were reviewed and analysed and new quotas were allocated, informed in part by the customer account segmentation exercise, but also based on historical data and market trends. Traditionally, the quotas had been based on last year’s performance and lifted by an annual growth rate of around 5%. The more detailed customer segmentation enabled a re-assessment and in some cases re-allocation of quota. This helped ensure that resources were ‘directed at maximising impact and returns’, thus tying in with the growth strategy theme and the 9.8% revenue growth target. It also helped ensure that ‘resources (i.e. people, also called head count) were being deployed in the right places’ thus also tying in with the productivity strategy theme and the lower than expected OPEX number in the Accounting Cascade. As such, the Accounting Cascades assisted in inscribing both the growth and productivity strategy themes into the subsidiary. The Cascades framed the interests and activities on behalf of subsidiary actors, yet they also assisted localised initiatives to emerge.

3. Level Order Planning
The pursuit of growth and productivity also triggered a new planning process called Level Order Planning. This was the third new strategising activity initiated at the Australian subsidiary. The level order planning process was introduced and facilitated by Consultants from the USA, with linkages to the US corporate centre as well as the corporation’s South American subsidiary. The objectives behind the new planning process were to ‘achieve greater clarity of resource utilisation and goals’, make the business more ‘granular’ and better ‘aligned’, and ensure that ‘resources were directed at business outcomes’. The Director of Planning wrote in his FY07 Planning Memo: “The objective of the goal alignment process is to be clear about what we are committing to for FY07, and what we are not going to do in order to improve focus and impact”. The concept ‘goal alignment’ was particularly important and used to communicate that subsidiary actors must be clear about what goals and targets people were ‘committing to’ for the upcoming financial year. The new planning template would help achieve this as each member of staff would then know exactly what his or her commitments and targets were. That was an improvement over previous years, where staff said they lacked clarity over their areas of responsibility, which negatively impacted business operation and ‘execution’ on the programmes, possibly resulting in ‘missed targets’. ‘Alignment’ would also help ‘reduce waste’ and thus tied in with the corporation’s productivity strategy theme and the lower than expected OPEX budget in the Accounting Cascade. It also tied in with the growth strategy theme in that a better ‘aligned’ and ‘more committed’ workforce would provide better customer services and thus improve ‘revenue impacts’ and ensure that the higher growth target of 9.8% would not be missed.

The new planning process and template was based on the principle of ‘Cascading Targets’. The concept, Cascading, involved taking the measures from the Accounting Cascades (and also the Subsidiary Scorecard) and ‘cascading them down’ across three levels of staff within the subsidiary. The Level 1 targets (called goals, see Figure 5) were set in consultation with the Senior Leadership Team and informed by the accounting numbers in the Cascades received from the corporate centre. These then informed the Level 1 strategies, which in turn were ‘cascaded ‘down’ to inform the Level 2 targets (Managers), which, similarly, informed the Level 2 strategies. The Level 2 strategies then went on to inform the Level 3 targets (general staff) (Figure 5 illustrates this).

Figure 5: Level Order Planning
The new level order planning exercise sparked off a large number of activities across all areas of the subsidiary, with some managers spending as much as 80% of their time during the four months planning period on ‘planning’. Many meetings and much time was spent completing the planning templates. Many of these meetings concerned identifying and solving issues to do with ‘cross-group dependencies’ and staff talked about ‘synchronisation’ and ‘interlock meetings’. Identifying cross-group dependencies was, for example, intended to help increase ‘alignment’ across the different functional areas of the subsidiary, including the Business Groups and Customer Segments. It required people from different functional areas to agree on ‘where to invest’, ‘which programmes to run’, ‘who provides resources to fund the programmes’, ‘who is responsible for what parts of the programme’ and ‘who is accountable for the targets’. People had to ‘synchronise’ and ‘socialise’ their activities, resource request, and goals with a view to improve operational excellency and, ultimately, to help ensure the subsidiary would reach the higher revenue target within a tighter budget in the forthcoming financial year.

Visitors from the corporate centre travelled to the subsidiary during this time to sit in on and ‘observe’ the new planning process. Later, as the process proved to be a ‘success’, it was taken up by the corporate centre who started to use it for their own planning purposes.

During this time, the subsidiary wide revenue growth rate and quota for FY07, coming down via the accounting cascades, also started to change following reviews of local market conditions, customer trends, competitor moves and renewal rates, and following negotiations of budget targets with the regional APAC centre. A ‘positive market outlook’ resulted in an increase in the revenue growth rate for FY07, up 3.1%, from 9.8% at MYR to 12.9% at the end of the budgeting period.
Similarly to the customer account segmentation and quota setting activities, the new planning process illustrates the role of accounting in enrolling subsidiary actors and acting at a distance. The Accounting Cascades, and specifically the higher revenue number combined with a tighter OPEX budget, sparked off a series of strategising activities in efforts to ‘deliver on’ the corporate growth and productivity strategy themes. The new planning process was one such activity. It resulted from the Cascades and the subsidiary’s aspirations to ‘live up to’ the higher revenue targets, now at 12.9%, within a tighter budget.

4. Building a Culture of Accountability
The new seventy-three page planning template, and the many metrics and targets recorded therein, was however ‘not enough’ to ensure the subsidiary could achieve the higher revenue target. A fourth initiative was required. This concerned the ‘human side’ of the business and included a culture change programme to assist the subsidiary build a ‘culture of accountability’. The intention behind this was to improve ‘employee commitment’ and ‘respons-ability’, which were seen to be important to improve revenue growth as well as ‘operational excellency’ and productivity. It thus tied in with both the customer experience strategy, the higher revenue growth target, and also the lower than expected OPEX budget.

This culture of accountability initiative was led by the same Consultants, who introduced the new planning process. The Consultants conducted two large sessions with staff during which ‘behavioural change’ was introduced. One session was done with 140 staff during the February People Managers Meeting, and the other with all members of staff (over 600 people) during the Australian-New Zealand Kick Off Meeting for the July Financial Year 2007. In addition, the Senior Leaders took their teams through a series of conversations and exercises during team meetings.

The US Consultants used two metaphors to articulate what a culture of accountability is and also to contrast and exemplify ‘undesired’ versus ‘desired’ behaviours. One of these metaphors / linguistic devices was the ‘Victim vs the Player’ metaphor, where the Player was being held up as the preferred person exhibiting the ‘desired’ behaviour of subsidiary staff. Figure 6 illustrates the two metaphors and provides examples of the respective responses by the Learner and Player for being late for a meeting due to traffic. Whilst the Victim would blame the traffic for being late, thus shifting responsibility away from him/herself, the Player would take responsibility for the action and ensure he would leave earlier from home, thus assisting the corporation improve productivity. The Player would result in improvements in productivity (by encouraging staff to be on time and accountable), as well as customer satisfaction (by encouraging staff to be reliable, in control and responsible), thus also assisting in creating a better ‘foundation’ for revenue growth.

Figure 6: Victim vs Learner
The second metaphor/linguistic device used by the Consultants was the ‘Learner vs the Knower’ metaphor. The objective behind this was to show that people have different ‘mental models’ and view the world differently. Once again, practical examples were used to illustrate what is ‘undesired’ and ‘desired’ behaviour. Reference was made to how the global corporation historically had been a Knower, showing, for example, arrogance and dominance, and how this was changing and greater concerns for local communities, stakeholders and customers being shown, thus exemplifying the Learner behaviour, and supporting, specifically, the customer experience strategy theme.

During subsequent times at the subsidiary, the Victim-Player metaphor was most often taken up and used during meetings. The Senior Leaders would, for example, use it during their team meetings to discipline each other and ‘call out undesired behaviours’. For example, when thirty-nine ‘Heads’ (i.e. staff) were redrawn from the subsidiary in July 2006 by the corporate centre (following the underachievement of the revenue target in Customer Segment #2 on a worldwide basis), the Managing Director referred to what a ‘Player’ would do in this situation and encouraged his team to think up ways in which to make up for the loss of head count. Managers would also use the Victim-Player metaphor in performance reviews to assess the behaviour of staff and use that to provide examples of ‘desired’ behaviour and personality characteristics at the subsidiary. Ground rules were also posted on the walls in the subsidiary, for example stating: “I am accountable and hold others accountable for these ground rules; I act as a Player, not a Victim; I speak in first person; I manage commitments impeccably; I am always on time for meetings” etc. However, not all staff ‘bought into’ the two metaphors, and some staff mentioned that these are only temporary ‘fads’ that come and go all the time. One Director for example mentioned that there are three types of staff, those that jump on the bandwagon and think this is great; those that play along; and those that know this will eventually vanish again.
Similarly to the customer account segmentation, quota setting and new planning template, the culture change exercise illustrates the transformative powers of accounting and the intertwined nature of accounting-strategising. Efforts to build a Culture of Accountability resulted from the subsidiary’s aspirations to ‘live up to’ the now 12.9% revenue targets within a tighter budget. It was because of and in response to the higher growth targets and also the need to become more ‘productive’ and ‘customer centric’ that the culture change exercise was introduced. Similar to the MYR templates, the Cascades acted as a structuring and inscription device, which conveyed the expectations of the corporate centre (and Wall Street analysts) and which transformed subsidiary activities to this end. Yet, whilst the numbers ‘narrowed’ and focused the attention and interests of local actors, they also left ‘room’ enough for localised activities to emerge and the culture change exercise was a result of local imagination and choice, not corporate prescriptions. Wilmot (1993) refers to the notion of corporate culturism and how capitalism gives rise to ‘corporate clones’, who have little voice or will of their own. He argues that corporate culturism is an unethical form of control, which exploits the insecurity of individuals. One the one hand, the culture change exercise might resemble Wilmot’s notion of corporate culturism and be seen as an attempt by local actors to re-invent themselves in the interest of the corporation, - to fulfil and realise an idealised image defined by distant actors. Yet, on the other hand, the culture change exercise also illustrates how authority rests not only with distant actors in a pre-given social order, but also with the self, - with local actors, who became skilful strategy makers and fact-fabricators. Knoor-Cetina (2001, p. 534) illustrates the latter point in her thesis on post-social relations where she provides a different conception of objects (such as accounting numbers), one that sees their hooking power as lying with their indefiniteness of being and their expanding potential. She points out the existence of different wantings and refers to a shift in authority from without to within, from a pre-given social order to authority resting with the self. She also points out the need for social theorists to mobilise new concepts and to refuse to adopt an attitude of denigration or belittlement. An inscription, in this regard, may be seen as a double-edged sword, which not only narrows and constrains, but also expands and opens up a wider range of possibilities.

**Concluding Summary for Mini-case #2**

In summary, this mini-case study illustrates the translation of strategy via accounting in a number of ways. First, Accounting Cascades made visible the strategy themes and converted the three strategy themes from abstract concepts into visible representations which enabled action. Second, the Cascades transformed local action in the interest of the corporate centre. Indeed, it was because of and in response to the Accounting Cascades and the higher revenue growth target that subsidiary actors initiated many new strategising activities. The new customer account segmentation exercise, the review of quotas and also
the Level Order Planning and the culture change programme, were introduced to create for
‘greater alignment’, a more ‘committed workforce’ and ultimately to help ensure the
subsidiary ‘achieve’ the higher growth target (and possible even the 3 year ‘$1bn magic
number’) within a tighter budget. Yet, and third, accounting numbers and financial
templates not only structured, narrowed and focused, they also enabled a dispersion and
expansion of local activities. Accounting not only prescribed programmes of action, it also
opened up new possibilities and enabled localised choice. In doing so, it drew in many
people to become involved in strategy making, a finding, which indicates that strategy is not
necessarily restricted to an elite group of senior actors at the corporate centre or at the
Senior Leadership level, but rather the effect of the activities of many people, including the
600 staff members who partook in the culture change and planning exercises.

Mini-case 3: True View Tool and Productivity Strategy Theme Spark a Discussion Paper on
Resource Allocation and Redeployment

Whilst growing the business was a priority to the corporate centre, so was productivity. The
productivity strategy theme was prioritised ‘more strongly’ by the corporate centre in the
latter half of 2006. It was transmitted and inscribed into subsidiary practices via an
accounting template called the True View Tool, introduced by the Vice President of
International Operations to compare the performance of the fifty-one subsidiaries around
the world across a range of productivity measures, including, for example, cost of sales and
head counts (see Figure 7). The True View Tool is an A3 size spreadsheet with
approximately 1767 accounting measures, each directed at measuring the productivity
performance of the fifty-one subsidiaries. The new tool assisted in translating ‘productivity’
from an abstract boundary object into visible representations, against which subsidiary actors could act. It also acted as a structuring and inscription device, which conveyed the expectations of the corporate centre and transformed subsidiary activities to this end. It
Figure 7 illustrates a simplified version of the True View.

Figure 7: True View Tool

<table>
<thead>
<tr>
<th>Clusters</th>
<th>Subs</th>
<th>Adj. Rev. (Mio)</th>
<th>Opex (Mio)</th>
<th>Average Head Count</th>
<th>Variable Exp. (Mio)</th>
<th>Fixed Expense (Mio)</th>
<th>Adjusted Revenue / HC</th>
<th>Variable Expense / HC</th>
<th>Fixed Exp. /HC</th>
<th>CoS%</th>
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In the following, we trace the activities undertaken by subsidiary actors in 2006 as a result of the introduction of the True View Tool, and illustrate how the productivity measures in the True View transformed practices and triggered a series of new strategising activities at the subsidiary. These took place in the second half of 2006 (after July 1), which also marked the first half of the 2007 Financial Year, during which the 12.9% revenue target for 2007
was being pursued (assisted by the three growth initiatives (Mini-case #1) and four strategising activities (Mini-case #2)). The $1bn ‘magical number’ for the three year period was still ‘kept in mind’ and talked about as an aspirational target by local actors. The following mini-case illustrates the structuring effects of the True View Tool, and also how accounting numbers came to act as value giving measures which defined and ranked actors and actor network activities.

**Accounting Numbers as Value Giving Measures**

The True View tool was first discussed by the Senior Leadership Team (SLT) at the Australian subsidiary during a three day Strategic Planning Meeting in November 21-23, 2006 (in preparation for the 2007 MYR). This discussion was led by the Director of Finance, who had distributed a printed A3 color copy of the True View Tool to the members of the SLT, which informed the meeting conversations.

The Director of Finance opened up the discussion at the meeting by going through the performance measures for the Australian subsidiary in the True View Tool. The productivity measures were colour coded. Blue numbers represented the average performance within each subsidiary category on each of the 31 categories of numbers. Black numbers signified performance on or above peer average. Red numbers signified performance below peer average. The Director of Finance pointed out that the Tool has certain shortcomings and flaws, especially since it “excludes nuances and subtleties between countries”, yet he also highlighted that it “provides a good foundation to start the productivity discussions”. After this introduction, the floor was opened for discussion and each of the members of the SLT was given the opportunity to express his/her views about the Tool. People were asked to voice their immediate thoughts and questions as well as any ‘implications’ or ‘actionable items’ they could see arising from it. This opened up a lengthy debate about the Tool and much time was spent reviewing and assessing the many numbers recorded therein. Some of the workshop participants mentioned that the spreadsheet is “not comparing apples to apples”, due to different allocations and assumptions and also because of geographical and demographical differences across the fifty-one subsidiaries. For example, there was a discussion about how marketing costs were allocated, and it was mentioned that these were allocated differently in different subsidiaries with some allocating them to BMO and others to the Customer Segments. Concerns were also voiced about ‘what the numbers include’, ‘what assumptions go into them’, and ‘how they were derived’. Hence, there was quite some skepticism as to the ‘validity’ of the tool and the ‘accuracy’ of the numbers therein.

This however did not stop the members of the SLT from engaging in a discussion as to how they were faring and comparing to their global peers. This was led by the Director of Finance, who, despite the perceived and somewhat obvious flaws of the Tool, scrutinised
the exceptional performance on most of the metrics of the Dutch and other subsidiaries and contrasted these with the Australian subsidiary. He was particularly curious about Holland and raised questions as to “how they do it?” – “it makes me curious”, he said, scrutinizing the numbers with a wrinkle forming on his forehead, also asking “what do we have to do to perform as well as Holland?”ix. He also pointed out that “Italy and also Canada are doing better than Australia in some areas” and highlighted that “there is room for improvement in Australia”, specifically in “the revenue per head count numbers”, saying “there is more upside we can go after”. He also commented that the cost of sales number in Australia was high relative to other subsidiaries. Here, the productivity measures in the True View assisted in defining the identities of actors and the status of the different subsidiaries. Numbers signified who were the most successful ‘achievers’ in translating and performing the strategy theme and it was clear that those subsidiaries with the best productivity numbers ranked highest, and those with the largest volume of revenue were listed first in the True View Tool.

The effect of accounting numbers and how they operate as value giving, measures was also evidenced in a discussion during a SLT meeting at the conclusion of the 2006 MYR preparation. Here, subsidiary actors were asked to articulate the three key messages that they would want to communicate to corporate and ‘leave behind’ at the 2007 MYR. Many mentioned that the subsidiary ‘deserved to be empowered’ and ‘can be trusted’. Subsidiary Leaders said: “we deserve to be empowered”, “we can be trusted”, “we do what we say we’re going to do”, “we know how to sustain and grow our business”, “we can handle empowerment”, “we should ask corporate to invest more in Australia, we have a plan and we can deliver on it”, and “we have developed a culture of growth – and we’re committed to deliver on that”. Here, subsidiary actors were keen to show to corporate actors that they able to achieve ‘the numbers’ and thus ‘deserved’ to be trusted and empowered.

Roberts’ (2008), in an essay on accountability, uses the work of Lacan (1977) and Freud (1984) to discuss how people’s image of themselves is formed in part by the expectations of others. He refers to narcissism and how people constantly seek after perfection to satisfy the expectations of others and live up to idealised self-images. An infamous Lacanian formulation is that desire is always the desire of/for the other. Roberts (2008, p. 10) explains:

I find myself in the response of the other and, enigmatic as it is, am prone for the sake of their recognition to seek to make myself into what will allow me to be recognised by the other. Again we can say that the look of the other has the power to capture; it is a constant lure. Lacan explains both love and aggression in these terms. Love from this perspective is ‘the desire to be loved’ whilst aggression is explained in terms of a competitive rivalry for the approving look of the other; as if attention given to another might rob me of my very existence. So … what produces this turning towards the other is the promise of recognition but the price of such recognition, upon which my very existence seems to depend, is that I make myself into what the other might demand of me.
At the subsidiary, people’s idealised images of themself were formed in part by the expectations of corporate actors (and Wall Street analysts). Their identity and desired self were a reflection of the interests and desires of corporate actors. The above conversation illustrates how the Subsidiary Leaders were seeking to be trusted, to be praised, to be recognised, maybe even loved. And it was by ‘achieving on’ the numbers and by turning ‘red numbers’ into ‘black’ that such recognition, praise and love could be earned. The True View acted, in this respect, as a mediator of corporate desires and transported knowledge which normalised activities and identities in local sites. Accounting numbers acted as ‘value-giving’ measures, which introduced the constraint of a conformity that must be achieved. Numbers was used to “compare, differentiate, hierarchize, homogenize, and exclude (Foucault, 1977, pp. 182 – 183)”, - to normalize and discipline.

Yet, whilst on the one hand, the numbers in the productivity tool seemed to discipline actors and possibly narrow their range of possible options, they also seemed to open up new possibilities and a wider range of options. The True View, whilst on the one hand narrowing, also had expanding potential and inspired local actors to seek change, new responses and transformation, - to speculate about the range of possible futures. Numbers, for example, inspired curiosity and the Subsidiary Leaders started to question what Holland was doing better, even to the extent that they decided to send a delegation to Holland to learn from them. Hence, numbers were used to compare, to discipline, yet also to seduce, and open up a wider range of possible futures. They enabled a dispersion and expansion of local activities, as discussed below.

The Structuring Effects and Transformative Powers of the True View Tool - Resulting in a Discussion Paper on Resource Re-allocation and Redeployment

The introduction of the True View Tool by the corporate centre resulted in a range of new strategising activities at the Australian subsidiary. For example, the Director of Business, Marketing and Operations prepared a Discussion Paper on “Resource Re-allocation and Redeployment”. This was discussed during a two day Senior Leadership Team meeting in December 2006 as part of the preparation for the 2007 MYR. This Discussion Paper listed a series of action points, some of which had already been addressed and some which still had to be addressed. These illustrate the transformative powers of the accounting template and how the new tool inspired new actions and responses.

Point 1 was labeled ‘Escalation’ and posed the question whether there is an opportunity to attract more head count from the regional APAC office. This was related to the headcount measures (including the Adjusted Revenue / Head Count and Variable Expense / Head Count and Fixed Expense / Head Count measures) in the True View Tool (as shown in Figure 7). For Australia, the Adjusted Revenue / Head Count measure for the subsidiary as a whole was labeled black and ‘on average’ relative to the global peers. However, for one
of the customer segments, the Average Head Count measure was labeled red, indicating that this segment was ‘below average performance’. The subsidiary wide measures on Variable Expenses / Head Count and Fixed Expenses / Head Count were also marked red, thus indicating that the subsidiary was performing ‘below average’ on these measures. The ‘underperformance’ on these measures had resulted in a ‘freezing’ of headcount at the Australian subsidiary by the regional APAC centre. The subsidiary was trying to find ways in which to ‘get around this’, especially given the higher growth target of 12.9% for this financial year. This resulted in the Managing Director sending an e-mail to the regional APAC centre ‘escalating’ the freezing of headcount issue and “highlighting Australia’s position, concerns and risks”. The ‘escalation’ was successful and additional heads was allocated to one of the customer segments by the regional centre. When asked during the December meeting if there was a chance of getting more heads, the Director of BMO mentioned that the answer here was ‘no’, and that the subsidiary already had made additional requests and the region was not responding.

Point 3, labeled “Outsource Functional”, was also related to the headcount (staff) measures in the True View Tool. It posed the question as to whether the subsidiary could set up an arrangement with an external company to manage its tele-sales and thus outsource this function. Doing so would mean that head counts would not be recorded by the regional centre. The Director of Legal Affairs was asked to take action on starting investigation into the feasibility of the outsourcing option.

Point 4 labeled “Under achievers / Limited Potential” concerned a review that had been undertaken by Human Resources of the subsidiary’s ‘underachievers’, and was also related to the head count measures in the True View Tool, with twenty-seven staff having been identified as being ‘underachievers’. The Director of Human Resources detailed the results of the assessment and explained that eight had already left the company, thirteen had shown improvement; whilst six remained questionable and were on the ‘action plan’.

Point 5 labeled “Centralization across Australia and New Zealand” concerned the proposal to centralize some of the business functions (such as legal, finance and reporting) across the Australian and New Zealand subsidiaries in order to reduce head count. There was a debate about the pros and cons of this, and it was agreed that this would need to be looked into further.

Concluding Summary of Mini-case #3

In summary, the mini-case illustrates that the True View Tool was used by the corporate centre to inscribe the corporation’s productivity strategy theme into the subsidiary. The True View assisted in making the concept of ‘productivity’ real, in translating the boundary object
of ‘productivity’ from an abstract concept into visible representations, against which subsidiary actors could act.

The True View Tool however not only ‘made visible’ the corporation’s productivity strategy, it also had transformative powers and resulted in a series of strategising activities at the subsidiary. Consistent with the MYR Slide Deck (in Mini-case #1) and the Accounting Cascades (in Mini-case #2), the True View Tool acted as a structuring or inscription device, which framed local interests and guided strategising activities at a distance. Many analyses and also the Discussion Paper were prepared in order to ‘live up to’ the expectations of the corporate centre as represented by the accounting numbers. Local actors spent much time reviewing the subsidiary’s performance on the productivity numbers relative to global peers and engaged in corrective measures and activities to improve their performance. Here, the Tool assisted the corporate centre enrol subsidiary actors, and stabilise and ‘secure’ local interests and activities. Despite its flaws, it became accepted as a principle for defining the ‘doable’ and ‘desirable’, and introduced a conformity that must be achieved.

Yet, the True View not only disciplined, hierarchised and narrowed, it also inspired curiosity, and made people speculate about the range of possible futures, - it fascinated people and turned them into seemingly ‘masterful’, reflexive humans lured by the promises of the discovery and recognition. It expanded the range of possible options and created for new strategising activities, including, for example, the inquiry into outsourcing tele-sales, the review of the ‘underachieving’ employees, the investigation of centralising certain business functions, and also the delegation to Holland. Accounting then not only narrows, focuses and possibly prescribes, it also opens up new possibilities and sparks imaginations of possible futures. Whilst constraining actions and actors, inscriptions also makes people curious and enable a dispersion and expansion of activities.

Postscript– the $1bn Magic Number Increasingly Looks like a Goal, not just an ‘Aspiration’

Discussions about possible revenue targets continued during the preparation for the 2007 MYR\textsuperscript{xiii}, where, once again, the $1billion growth target, now 2 years out, was put in the spotlight as a possible target for 2009. This was driven in part by the promising performance of the Australian subsidiary, which was ahead of the revenue target for the 2007 budget. The Director of Finance, during a discussion of the subsidiary’s financial performance at a SLT meeting in December 12-13, 2006, said, with a smile, that the subsidiary was ahead of forecast for the first half of 2007 and that the full year forecast was looking good. The Director of BMO likewise pointed out that both the contribution margin and revenue numbers were looking good.
The good performance continued into the second half of 2007 and on May 9 the Billed Revenue growth rate was at 17%, up from the budget forecast from June 2006 of 12.9% growth. At the end of FY07 (June 30, 2007), the last point of contact with the case study organisation, the revenue growth had reached 20%. The $1bn ‘magic number’ for FY09 was increasingly looking like an actual ‘goal’, not merely an ‘aspiration’. This was made clear during the opening speech by the Managing Director in which he emphasised that the $1bn magic number was “looking good”, a point which received broad support from the members of the Senior Leadership Team. The Managing Director also mentioned, with a smile on his lips, that “this number may in fact be conservative”, and said that “the long term growth target may be 20% growth, say for 2010”. He closed his speech by saying “we should aspire for 20% growth – we may not need to write it down here – but we should write it somewhere.” It seems, indeed, that accounting numbers, and specifically the $1bn growth target, very critical to seducing actors into imagining a better future, and thus to the realisation of the corporation’s growth strategy and strategic visions. The big hairy growth target was the catalyst for change – the media through which the huge amount of strategising activities undertaken in the 2005 to 2007 period was given life.

5. Discussion
The paper has investigated, via a case study at a global organisation, the role of accounting in strategising, and specifically the agency of accounting actants in translating the corporation’s three strategy themes into strategising activities at a distance. Latour’s performative lens has been deployed and we have traced the footsteps and many strategising activities of actual people inside a real organisation, illustrating the transformative powers of accounting and how action is dislocated via non-human actants. The study makes the following observations to this end.

Strategy Themes as Boundary Objects, As Variable Ontologies
The first observation concerns the ontology of strategy. Drawing on Latour’s (1986) performative theory and also Bowker & Star’s (1999) notion of boundary objects, the paper supports the notion that strategic visions, agendas and themes can best be thought of as boundary object, and, specifically, ideal type, or visionary, objects. At the case study organisation, the strategy themes did not exist in concrete forms independent of other entities, nor could their essence and movement be pre-determined or pre-described. Instead, strategy was best (only?) understood in processes of translation, that is, when the strategy themes were ‘acted out’, performed and translated from abstract concepts into practical activities. The three mini-cases provided evidence to this end, illustrating how the strategy themes came to be known ‘in the making’, - when activities were undertaken ‘in their name’. One example of this was the growth strategy theme, which in essence was nothing but an abstract concept, a hollow boundary object, which only became ‘real’ when activities were undertaken in ‘its name’. Growth became real in its consequences, when
translated into strategising activities, be it the three growth initiatives, the House, the investment request and prioritisation exercise, or the new planning exercises and culture change programme. ‘Growth’ obtained its forms as a consequence of the relations in which it was located (Law, 1999, p.4). It became strongly structured in individual site-use at the Australian subsidiary when translated into locality-specific configurations of resources and activities, yet it remained weakly structured in common use, as a global visionary concept. It derived its ‘strength’ because it was plastic enough to be bent to suit the needs of local actors, and at the same time robust enough to evoke some shared meaning and associations across the global network. As a boundary object, it inhabited several communities of practice and satisfied the informational requirements of many.

When asked ‘what is strategy?’, the study thus indicates that strategy is best defined relationally and understood as bundles of activities (see Figure 8), which take form in and through practice. The ‘essence’ and ‘form’ of strategy is determined by the ties which connect it to the activities of many diverse actors located in many places (Consultants, Managers, corporate actors, local and global, human and non-human). In support of Latour’s (1986, p. 273) performative definition of social phenomena, it may be difficult in principle to define the list of properties that was typical of ‘strategy’ in society, although in practice it can be possible to do so.

**Figure 8: Strategy as Bundles of Activities**
As such, the paper empirically illustrates the performative nature of strategy. Strategy has a variable ontology which can be inscribed differently in different site use and which is best understood by investigating the activities undertaken in its name. Similar to Mouritsen’s (2006, p. 10) observation of intellectual capital, ‘strategy’ as a boundary object has an appearance that allows us to see it, but it is impossible to predict its effects from these properties since they are weakly structured. Strategy is hardly a linear model leading to effects; it is instead a model of multiple potential relations and associations, where the essence and movement of strategy cannot be pre-defined, nor exist in concrete form. Here, strategy exists ‘in the doing’, that is, when strategy themes, visions, or boundary objects, are enacted, translated and performed, when activities take place in their name. Thus, in performative studies, such as this one, the verb ‘strategising’ precedes the ‘black boxing’ abstract noun ‘strategy’, as the ‘act of doing’ takes precedence over ‘being’.

The study also illustrates that strategy can change ‘colour’, shape and form across time-space. By tracing strategising activities over time, as done in this study, it has become evident that strategy changed in shape and form during the eighteen months. At MYR in 2006, strategy was able to be captured in a one page drawing, the House, and growth was the main priority. Yet, in the months following MYR, strategy became much more. It seemed to ‘expand’ and became more diverse, possibly more complex as it was connected to many more things, including customer segmentations, sales quotas, planning templates and culture change programmes. It drew in many more people. It also started to change ‘colour’ and by MYR 2007, productivity seemed to have become increasingly important.

Translating Strategy Themes via Accounting
Tracing the translation of strategy required an investigating of how activities were connected to different ‘boundary objects’ via non-human actants. This gave rise to the second observation, namely the role of material artefacts in translating ‘strategy’, and how seemingly passive non-human actants came to act as powerful actants, which transformed human action, even to the extent that they themselves became strategy makers (see again Figure 8 above).

Latour (2005) points out that non-human objects carry effects, although with silence, and asks how we can understand the functioning of their agency; how can we “make actants talk?” He indicates the solution lies in investigating what actants make actors do. Thus, in this study, we traced the many local strategising activities and how they were mediated by the corporation’s global accounting actants. In doing so, we added to the understanding of how non-human actants partake in fact fabrication and strategy making. We have illustrated the dislocation of strategy actions via accounting, and how control over strategy should not mistakenly be confined to human actors just because they are more visible ‘on stage’. This
opens up new opportunities for researching strategy making, specifically for those scholars who tend to favour a more human-centered perspective, including for example the Process and Practice based schools of strategy scholars.

Specifically, the study has shown that accounting templates and numbers perform three interrelated roles in the translation of ‘strategy’. They act as media for the visualisation of strategy (they make strategy visible); as mediators for structuring and transforming activities at a distance; and as media of seduction where accounting not only disciplines and narrows, but also opens up, inspires curiosity, and enables a dispersion and expansion of activities, as follows.

1. Accounting as Media for the Visualisation of Strategy
First, accounting templates, systems and numbers act as media for the visualisation (and subsequently real-isation) of strategy. They transport strategy and convert strategy visions from abstract (possibly hollow) boundary objects into visible representations. Accounting provides tangible representations of strategy that can guide human action in practice. For example, each of the corporation’s strategy themes were represented by, and translated into, one or more accounting numbers. Different numbers and different accounting templates represented different strategy themes, be it productivity, growth and customer experience. Revenue and OPEX numbers recorded in the Accounting Cascades represented the growth and productivity strategy themes and transported these from the corporate centre to the periphery, and from the abstract to the concrete. Similarly, cost of sales numbers recorded in the corporation’s True View Tool converted the productivity strategy theme from a visionary, boundary object, into visible representations which could guide action. Accounting numbers made strategy transportable across space-time in the global network. Indeed, it is difficult to imagine strategy and strategic visions outside of the vehicles which made them visible, transportable and thus actionable.

2. Accounting as Structuring Devices (as Mediators of Strategy with Transformative Powers)
Second, the many templates and numbers not only ‘made visible’ the corporation’s productivity strategy, they also had transformative powers and resulted in a series of strategising activities at the subsidiary. They acted as mediators, which transported meaning across time and space and inscribed and focused activities at a distance. Similar to a software programme, which inscribes programmes of actions into users, the accounting actants inscribed ‘patterns of use’ into the subsidiary. Both the MYR Financial Templates and Slide Deck (Mini-case #1), the Accounting Cascades (Mini-case #2), and the True View Tool (Mini-case #3) framed the interests and actions of local actors. Criteria and requirements for how the templates were to be used were inscribed a priori by corporate actors. These, in turn, determined the actions and activities of local actors. For
example, the corporate centre created thirteen MYR templates addressing specific strategy themes and business issues, against which subsidiary performance was assessed. Subsidiary actors subsequently spent vast amount of resources and time preparing for the MYR, and rehearsing and analysing what to record in the different templates, how to present the information therein and what changes to operations they needed to make. They even brought in ‘experts’ to help prepare and ensure a ‘successful’ MYR. Many analyses and rehearsals meetings were undertaken in order to prepare for and ‘live up’ to the expectations of the corporate executives and ‘pass the exam’. Here, the MYR templates acted as structuring and inscription devices, which organised and framed the interests and activities of subsidiary actors. They framed issues of importance on behalf of local actors thus assisting in ‘securing ’and stabilising actor-network performance. By encoding criteria, scenarios and the sequencing, the MYR templates imposed their inscribed programmes onto their users. Strategising took place at the human-accounting interface and the seemingly ‘silent’ accounting technologies became actors that made people perform and conform.

Likewise, corporate ‘guidance’, in the form of Accounting Cascades, framed what was expected from subsidiary actors and transformed ‘local’ activities in the interest of the corporate centre. Accounting bent space around itself, defined space and its organisation, sizes and their measures, values and standards, the stakes and rules of the game – the very existence of the game itself (Callon and Latour, 1981, p. 286). The construction of accounting numbers as mediators of the growth strategy by the corporate centre ‘filtered down’ into the subsidiary, where support and interest was mobilised through ‘accounting talk’ and a search for ‘double digit growth’. The search for growth proliferated the actor network via the financial templates and these became a key focal point at the subsidiary, replicating the concerns and interests of the corporate centre.

The empirics thus illustrate how accounting templates and numbers assist the corporate centre enrol subsidiary actors and control and govern strategy and strategic visions in a global network. Accounting and its inevitable corollary of surveillance defined the ‘desirable’ and the ‘doable’ for local actors and financial templates become the mediators through which action and strategy was controlled. Each of the accounting templates assisted to enrol and persuade subsidiary actors to accept and further the interests and activities defined by the corporate centre. They enabled action at a distance by organising information on behalf of subsidiary actors, and by guiding and stabilising their strategising activities. They became actors which participated in making up the body politics of the social. “For the sociologists of associations, the rule is performance and what has to be explained, the troubling exceptions, are any type of stability over the long term and on a larger scale” (Latour, 2005, p. 35). What then has to be looked at are the “vehicles, tools, instruments, and materials able to provide such stability” (ibid). At the case study
organisation, accounting made durable the actor-network activities and ensured the stabilisation of strategising activities at the subsidiary and the continued performance of the global network.

Importantly, the inscription of strategy via accounting embodied a value giving dimension where accounting came to define and communicate the status and identities of actors. Accounting numbers and templates acted as value giving measures which differentiated, hierarchised and defined actors and actor-network activities. For example, the productivity numbers recorded in the True View tool transported knowledge which normalised and disciplined individuals and even entire subsidiaries. The numbers were used to rank the fifty-one subsidiaries’ performance on the productivity strategy theme and thus introduced the constraint of a conformity that must be achieved (Foucault, 1977, p. 182). Those subsidiaries who ranked highest were the most successful ‘achievers’ in translating and performing the productivity strategy. This ranking via accounting numbers had disciplinary effects and local actors spend much time reviewing and assessing the subsidiary’s performance on the numbers relative to global peers and engaged in corrective measures and programmes to that end. People’s identity became a reflection of the interests and desires of corporate actors (and Wall Street analysts). Hungry for the recognition, possibly love, of corporate and eager to show they “could be trusted” and “deserved to be empowered” subsidiary actors transformed themselves and their actions to this end. Indeed, it was by ‘achieving on’ the numbers and by turning ‘red numbers’ into ‘black’ that praise, recognition and possibly love could be earned.

Here, governing via accounting was more mundane, yet also more powerful as it became recognised as a way of looking at others and self in relation to others, - it operated as a generally accepted principle throughout the social body. The gaze of distant actors (Wall Street analysts included) proliferated the social body and became a way of looking at self and others. This taken-for-grantedness and subtleness was also what seemed to make accounting such a powerful strategy maker.

In summary, through accounting, the corporate centre defined the ‘desirable’ and ‘doable’ for local actors and financial templates become the media through which action was normalised and strategy governed. Global accounting inscriptions stabilise, narrow and ‘funnel’ strategising activities in local sites. They introduce the constraint of a conformity that must be achieved and operate as a value giving and identity-creating process that traverses space-time.

3. Accounting Seduces Actors

Yet, and third, financial targets and global accounting inscriptions not only narrowed, focused and normalised strategising activities in remote sites. They also ‘opened up’ and
had expanding possibilities. They opened up a wider range of possible futures and gave rise to new strategising activities in sometimes unpredictable ways. They enabled a dispersion and expansion of activities.

Financial targets play a particularly important role in transforming and expanding action and opening up possibilities for different futures. Specifically, the big hairy growth targets and the magic $1 billion revenue target three years out had persuasive, even seductive, powers. The financial target became the catalysts for change. It brought people into a dream / play mode, enticed by the prospect of discovering foreign land and new territory. It helped people imagine a different, possibly better, future and made them into seemingly reflexive, ‘masterful’ and very capable strategy makers. Growth targets brought the future into the present but also transported the present to a different and more seductive future, thus inspiring action.

For example, at the strategy workshops in 2005, Subsidiary Leaders were seduced by the prospect of reaching the big hairy $1 billion revenue target, heralded as a ‘distant’, yet possible, goal, by Senior Executives and Consultants alike. Indeed, it was in the pursuit of double digit growth and as a result of the seductive qualities of the $1bn ‘magic number’ that people started to ‘buy into’ the growth strategy theme and partake in the strategy workshops. Financial targets seduced the somewhat skeptical Subsidiary Leaders into imagining a ‘better’, more promising, future. At later stages, the higher than usual revenue target gave rise to a range of new strategising activities, resulting for example in new customer account segmentations, reviews of sales quotas the Level Order Planning and also the culture change exercise, which all were directed at ensure the subsidiary would achieve the 12.9% revenue growth rate. Numbers had expanding potential and it was in the search of ‘big hairy growth targets’ that the three growth initiatives and many strategising activities came about.

The transformative powers of the numbers was also illustrated in the meetings between the Consultants and Customer Segment Leaders, where scepticism started to wane when people became convinced about the financial relevance of the growth strategy. The somewhat skeptical subsidiary Directors expressed their support when they started to see the financial relevance of the strategising activities. The persuasiveness of numbers was also evidenced by the Director of Finance, who used the share price and EPS to appeal to people’s sense of self and idealised image as ‘market leader’. He used numbers to problematise their failure to lead anymore, and by appealing to people’s identity and sense of self, he persuaded them that they had to “find new ways in which to grow the business”.

Accounting numbers also inspired curiosity in local sites. Specifically, the True View Tool raised the curiosity of Subsidiary Leaders. It was because of the ‘below average’
performance on the productivity measures in the True View tool that the subsidiary initiated the inquiry into outsourcing tele-sales, undertook the review of the ‘underachieving’ employees, and started to investigate the possibility of centralising certain business functions. Many analyses and also the Discussion Paper were prepared in order to be on par with other subsidiaries. Here, accounting opened up a wider range of possible futures, expanded the range of possible options, inspired curiosity and a search for new responses.

In summary, financial templates and accounting numbers not only acted as media for the visualisation of strategy; or as mediators for structuring strategy (for narrowing the range of possible options and focusing local activities in the interest of the corporate centre); they also acted as agents of seduction. They opened up possibilities for imagining a different, possibly better, future and enabled a dispersion and expansion of strategising activities. Whilst on the one hand narrowing, on the other hand, accounting also opened up, introduced a play/dream mode, and brought about new responses. Whilst disciplining, prescribing and constraining, accounting also inspired curiosity and lured actors into a search for new possibilities. It had the potential of turning people into corporate clones (Wilmot, 1993), yet also into seemingly masterful, creative and capable individuals. It induced belittlement, yet also reflexivity.

Flagstand and Mouritsen (2005) make similar observations in their study of the rise and fall of the Danish Intellectual Capital Guideline. They point out that inscriptions (such as intellectual capital statements) can act as double edge swords with multiple attributes and effects. One the one hand, the IC Guideline was an attempt to pervert the fulfilment of Enlightenment’s ideals. They draw on Kierkegaard’s (1991) work to point out that the fall of the IC Guideline was due in part to its attempt to degrade individuals. The intellectual capital statement “is “part of the dark side of this new economy” since the person is “degraded” to an aspect of other things (e.g. customers, processes an technology)” (ibid, p. 20). In an effort to commercialise knowledge, the so-called knowledge-worker disappears and is “degraded” to an appendix of a process and – as if this is not enough – the human is displaced into a one-dimensional number. The reflective person has no privileged place in the optic of intellectual capital and any opportunity for the individual to be a competent, reflective, masterful human being is relegated by the Guideline, which prescribes and turns knowledge society into a black box.

Yet, on the other hand, intellectual capital was also a word that was able to fascinate a series of actors and which made people enlightened thinkers. Flagstad and Mouritsen (2005, p. 14) observe: “The project started out as discovery into foreign land to try to find intellectual capital. It was unfamiliar terrain for most participants beyond being “interesting” and “not to be missed”. It was adventurous…..” They tell the tale of Pippi Longstocking’s search for the spink to this end.
Similar to the IC guideline, at the case study organisation, ‘strategy’ and its multiple inscriptions brought out the dream/play-mode in people, yet also threatened to degrade them into the appendix of a process. The prospect of the $1bn number sparked off speculations about a different, possibly better, future. It fascinated people and turned them into seemingly ‘masterful’ humans lured by the promise of adventure - the unknown and the endlessness of possibilities, - yet also by the desire for recognition, praise and to possibly earn the love of distant actors.

Hence, on the one hand, accounting can be seen as an attempt to discover foreign land and explore the endlessness of possibilities, turning people into seemingly capable, enlightened and reflexive beings. Yet, on the other hand, accounting can also been seen as an attempt to pervert the fulfilment of Enlightenment’s ideals where the person is degraded to an aspect of other things. Accounting is a double-edged sword, which entertains both the possibility of a humanistic, almost adventurous, firm, yet also the possibility of a machine-like metaphor of the firm where self is (narrowly) defined as a function of the desires of others.

In the humanistic firm, authority rests not only with distant actors in a pre-given social order, but also with the self - with local individuals, who are seemingly masterful individuals and reflexive / capable strategy makers and fact-fabricators. This line of reasoning sees the hooking power of inscriptions as lying with their indefiniteness of being and their expanding potential (Knoor-Cetina, 2001). Accounting not only narrows and constrains, but also expands and opens up a wider range of possibilities. Such reasoning recognises the existence of different wantings and requires a shift from seeing authority as resting without to within, from a pre-given social order to authority resting also with the self. It illustrates an orientation towards reflexivity, also recognising the tension that lies between this and the inscription’s potential for denigration and ‘enslavement’.

6. Conclusion
The paper has demonstrated the agency of accounting in strategising and how strategising and human action is dislocated via accounting actants. Accounting actants are not neutral, opaque phenomena, as one might think, given their subtle, mundane, seemingly passive nature. Instead, accounting is implicated with power and control. Accounting templates and numbers have transformative powers in strategising – they organise the world and frame much of that which is considered ‘normal’. They make actors act and inscribe a set of values and a ‘taken for grantedness’ about the ‘things’ that matter in organisational life. Indeed, strategising and strategy making is dislocated, diffracted, re-dispatched and redistributed via non-human accounting actants (Latour, 2005, p. 198). Control over human
activity and action can thus not mistakenly be confined to human actors just because they are more visible ‘on stage’.

In conclusion, the study makes contributions both to the accounting and the strategising literatures.

It makes a contribution to the *accounting literature* by illustrating the significance of accounting actants in inscribing and performing strategy. Accounting was more than an intermediary, which made strategy visible. It was also a mediator which transformed practices and whose input was not always a good predictor of its output. Enrolment, seduction and acting at a distance was made possible by non-human actants. Structured accounting templates and numbers foster both stability in transport and flexibility of translations of strategy. Such flexibility, in turn, enables strategy to be made by a myriad actors, - some located in the American headquarters, others in the regional centre in Singapore and still others in the Australian subsidiary. Through accounting, strategy making is not centred and does not reside in the hands of a small elite defined by hierarchy; instead it is dispersed and created by many actors, some human and some not.

The paper makes a contribution to the *strategising literature* by illustrating the intertwined nature of accounting and strategising. It illustrates how strategy themes, or boundary objects, are visualised via accounting, also highlighting the structuring of organisational life via accounting inscriptions. Indeed, strategising at the local subsidiary was very little without the mechanisms which transported, made visible and inscribed the corporation’s global strategy themes in local sites.
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Numerous such studies have used **contingency theory** to inquire into a variety of accounting-strategising research issues. Such studies have for example examined how different performance evaluation systems (i.e. subjective versus objective) support different strategic types such as defender strategies and prospector strategies (Porter, 1980; Govindarajan and Gupta, 1985; Gupta, 1987; Simons, 1987, 1990; Govindarajan, 1988); the relations between an organization’s strategy and the policy and economical environment within which it operates, assuming that strategy is contingent on context, such as operating environment, market dynamics, competition and barriers to entry (Scherer 1970; Teece, 1985; Porter, 1980; Ittner and Larcker, 1997); the relation between company performance and the use of management technologies such as the Balanced Scorecard, illustrating that performance is dependent on the use of the Balanced Scorecard, which is influenced by contextual factors such as company size, stage in product life cycle, and strength of market (Hogue and James, 2000); the form of capital expenditure evaluation process that should be used under different organisational and strategy settings (Larcker, 1981; Haka, 1987; Shank and Govindarajan, 1992); and, the role of budgets in organisations facing strategic change, and specifically how differences in the use of budgets (diagnostic versus interactive) affect performance in situations of low and high levels of strategic change (Abernethy and Brownell, 1999).

He for example suggest researchers to ask the following about IC:

1. **What does IC do?** (Rather than what is IC?).
2. **Where is IC located?** (Rather than who owns it?).
3. **How is IC related to value?** (Rather than is IC valuable?).

Serres was interested in developing a philosophy of science which does not rely on a metalanguage in which one account of science is privileged and accurate. To do this he relies on the concept of translation between accounts rather than settling on one as authoritative. For this reason Serres has relied on the figure of Hermes (in his earlier works) and angels (in more recent studies) as messengers who translate back and forth between domains.

**Callon (1986)** uses the notion of sociology of translation and breaks down translation into four moments to examine and explain how actors/actants are changed so that they can forge alliances:

- **Problematisation**: Actors are identified, their interests established and the issue at hand problematised. Callon also mentions that the focal actor(s) establishes itself as the “obligatory passage point” which the other actors have to pass through to solve the problem. In the process, the focal actors define the roles and the problem. The objective is to get the other actors interested and to negotiate the terms of their involvement. The primary actor works to convince the other actors that the roles it has defined them are acceptable. This may include processes by which the focal actor seeks to lock the other actors into the roles that is proposed for them.
- **Interestment**: The focal actor(s) embarks on processes of convincing other actors to accept the definition that the focal actor(s) hold. The objective is to get the other actors interested and to negotiate the terms of their involvement. The primary actor works to convince the other actors that the roles it has defined them are acceptable. This may include processes by which the focal actor seeks to lock the other actors into the roles that is proposed for them.
- **Enrolment**: The delegate actors accept the interests / role that have been defined for them by the focal actor.
- **Mobilisation and Stabilisation of Allies**: The delegate actors in the network adequately represent the masses. This means that the actors provide active support to the issue at hand. The methods used by focal actors to ensure that key elements of the network continue to act in the roles intended for them and the alliances established by the focal actors with these other network elements continue to hold. The process of translation also includes intermediaries and processes of mediation (Callon, 1991), where actors are drawn into relationships through intermediaries (see next sub-section).
The performative view on ‘strategy’ is also reflected in Ciborra’s (2002) problematization of the traditional views on ‘strategy formulation’ and ‘implementation’ as linear activities leading to predictable outcomes. Ciborra rejects the idea of linearity and argues instead that ‘formulation’ and ‘implementation’ should not be separated as the circumstances upon ‘implementation’ and factors from the environment into which it is introduced will impact upon the usage of the object. Ciborra refers to this as the concept of ‘bricolage’, whereby technologies are tinkered with by users to make use of local resources to achieve often unplanned outcomes.

Whilst the process perspective on strategy advocated by Mintzberg and the practice based perspective expressed by Whittington bear similarities, there are also differences between the two perspectives. Whittington (2002) points out that his practice based theory places emphasis on the modest accomplishments of continuity as opposed radical change, and focuses on the micro-level of human practitioners as opposed to the organisational level of analysis, as it is the skills and performance of people before those of organisation that makes up processes. Similarly, there are differences the practice based perspective and the performative perspective, especially in regards to the entities which constitute strategy action, with the performative perspective emphasising the role of non-human actants in strategy making (see for example Tryggestad, 2005).

Non-human objects are also commonly referred to as intermediaries, inscriptions, actants and technologies. An intermediary is anything passing between actors, which define the relationship between them. Latour also talks about plug ins (2005, p. 204); articulators and localisers including structuring templates (p. 196), and stabilising tools (p. 198). Non-human actants have also been labelled ‘structuring devices’ and ‘stabilising tools’, following Latour (2005, pp. 196-198). ‘For sociologists of the social, the rule is order while decay, change, or creation are the exceptions. For the sociologists of associations, the rule is performance and what has to be explained, the troubling exceptions, are any type of stability over the long term and on a larger scale’ (Latour, 2005, p. 35). If this is the case, what then has to be looked at are the “vehicles, tools, instruments, and materials able to provide such stability” (ibid).

Enrolment of actors is thus a prerequisite for translation to take place. Or in other words, the (successful) translation of an organisation’s strategy themes from boundary objects into actual activities is contingent upon the (successful) enrolment of actors. Enrolment occurs when delegate actors accept the interests and roles that have been defined for them by the focal actor, and provide active support to the issue at hand (Callon, 1986). For strategising to be ‘successful’, the everyday ‘strategy makers’, those who are responsible for day-to-day strategising activities, - the mundane ‘operations’ of ‘strategy’, - must actively seek to advance the interests and issues that have been defined for them by the focal actor. At the case study organisation, enrolment occurs when subsidiary actors provide active support to the corporation’s strategy themes, and undertake activities ‘in their name’. Disagreement, ‘politicising’ and conflict may arise during processes of enrolment in which case the translation of ‘strategy’ runs the risk of becoming ‘unsuccessful’. Enrolment may thus involve negotiations and acts of persuasion whereby actors have conflicting objectives and are competing for different agendas to be realised. If disagreement and conflict remain unsolved, the actor-network may fall apart and the ‘strategy’ cease to exist. In contrast, there may be no or little conflicts and the delegate actors may accept the interests and roles that have been defined for them by the focal actor in which case, actors are ‘enrolled’ and the translation of the strategy themes into practical activities is successful. Hence, (successful) enrolment, possibly including negotiations, ‘politicising’ and persuasions, is a requirement for a strategy theme to become ‘real’ and to operate in praxis. Enrolment is often facilitated by, and sometime contingent upon, non-human actants (including for example accounting templates, systems and numbers), a point further discussed in the proceeding sub-section.

Miller and O’Leary (1987), for example, investigated the history of standard costing and budgeting as national practices and found that these new accounting techniques / programmatic frameworks were used to transform organisational practices in the interest of government. Similarly, Miller (1991) studied the diffusion and construction of the discounted cashflow technique during the 1960s in the UK, and found that accounting was used to inscribe government strategy into organisational practices. Accounting acted as an inscription, which enabled action at a distance. Kirk and Mouritsen (1996, p. 1) found that accounting mediate strategy in a multinational organisation. They (ibid, p. 11) showed how an accounting system is an intermediary, which translates between contexts and which inscribes organisational life by mediating a set of values as to what is approved and what is not approved. Through accounting systems, the concerns of headquarter govern the translation of subsidiaries’ activities in ways that present them as integral to headquarter strategies. Accounting facilitates intervention at a distance. Mouritsen et al (2001) focused on the role of accounting in inscribing organisations’ knowledge management strategies. They traced how intellectual capital statements inscribe organisational knowledge and its effects in firms. They are inscription devices, which make knowledge manageable and amenable to management intervention; they are not only a representation of the company’s state of affairs, but also a translation and an act of power. Likewise, Qu (2006) illustrated the role of accounting technologies, be it Balanced Scorecards or intellectual capital statements, in inscribing organisational ‘strategy’ into praxis. She (2006) found that the management accounting technology acts as an objectification device that translates an abstract strategy idea, or theme, through network building. It allows the admission of users in selecting, interpreting and adjusting the technique and is flexible enough to enable customisation to occur.
Several additional management accounting studies have also adopted a Latourian perspective or performative perspective and investigated the functioning and coming into being of social phenomena, outside the strategising literature. Chua (1995), in her study of the creation of the casexmi accounting system traced the ties that constitute the creation of the accounting system and focused on the processes of fact-fabrication and the technical and socio-political ties that come together to form truth. Similarly, Briars and Chua (2001) traced the heterogeneity of actors and actants, and the ties, which connect local and global, to inform the creation of an ABC system at an Australian organisation. Miller (1991), in his study of the discounting cash flow technique, demonstrated the importance of conceptualising the linkages between different actors and arenas, and shows that accounting innovation is a product of the interaction that occurs between multiple forces and actors. Similarly, Quattrone and Hopper (2005) analyse the effect of ERP systems in two multinational organisations and finds that the ERP system creates different forms of distance and relations between headquarters and the scattered subsidiaries, which in turn affect management controls. In one organisation, ERP reproduced existing structures which permitted conventional accounting controls based on action at a distance to be maintained. In the other organisation, ERP was used to ‘collapse’ distance, resulting in changing loci of control and managerial feeling of minimalist control. Ahrens and Chapman (2005, 2007) is one of the few studies to adopt a practice based perspective, giving prominence to the construction and functioning of managerial intent and how they relate to the situated functionality of accounting. They investigate how restaurant managers draw on and use accounting information in the construction of a restaurant division’s strategy. They show how processes of strategising, specifically concerning the customer, come to be constructed through management controls as well as non-financial management information.

The corporation’s main asset comprises human capital, represented as ‘head count’ or people expenses in the corporation’s budgets and business plans. Marketing expenses is the second largest expense category.

We use the word strategising to signify the activities that are connected to the corporation’s strategy themes.

The empowerment model had for example been introduced via the delegation of responsibility for profit and loss statements controlled and managed by the Customer Segment and Business Group Leaders at the subsidiary. Interviewee V explained how this change in decision making responsibility operates at the subsidiary: “in the past you’d be given money for people, money for T&E, money for training, money for computers, money for everything…. And you’d be told, right, there you go, there’s your budget, don’t spend any more. ……. But now with the empowerment model……you know what your total revenue, sorry that total variable divided by your adjusted revenue is your cost of sales percentage……and that’s the number that we’ll judge you on, we don’t care how you spent your money, you can decide you want to spend all your marketing money on people, you can decide you want to spend all your BIF on marketing, you can decide not to have computers, you can decide to send everybody on a training course……or use the money to drive marketing………they are only constrained by the cost of sales percentage”.

The prioritisation of growth continued into 2006 and before the 2007 MYR, the corporation’s CEO made a broadcast announcement outlining that he would be looking closely at the subsidiaries’ growth initiatives and targets during the 2007 MYR.

During the opening speech, the Managing Director outlined the rationale for the workshops, saying: “our objective is to know the drivers of growth, push the limits of growth and identify what is broken and why. We must develop the vision for growth – stop and reflect – and identify growth opportunities”. He also mentioned that the subsidiary was being empowered to make a difference and emphasised that the “corporate centre says you must decide where to invest”.

The ‘customer experience strategy’ was a theme introduced by the US centre some years ago, as previously discussed.

This included the growth initiatives (focusing on customer targeting, tools, analytics, management strategies, solutions, and partners) and also five horizontal pillars (Management and Measurement Process, Internal Communication, Resource Allocation and ROI, People and Culture and Stakeholder KPI Alignment) in the House.

Dermer (1990, p.70) paper somewhat supports this argument. He finds that accounting indicators and evaluation techniques play some role in problem finding (Pounds, 1969) and in determining whether a concern eventually becomes a strategic issue (Simon et al., 1954; Hopwood, 1983).

Similarly, in 2007, one of the MYR slides were dedicated to the corporation’s growth ‘strategy’ and comprised three fields focusing specifically on growth initiatives. The three fields included: 1) comparing and contrasting corporate and subsidiary growth expectations; 2) how to measure accomplishment of growth goals; and 3) investments in growth. The generic 2007 MYR templates changed slightly and featured the following headings: “What you Will Hear and Action Items”; “Subsidiary Scorecard”; “State of the Business”; “Market and Segment View”; “Win Customers – Citizenship Discussion”; “Win Customers – Compete to Win”; “Drive Satisfaction – CPE”;

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“Grow the Business – Financial Results” (featuring no less than approximately 800 financial metrics); “How We Will Grow Our Business Profitably and Productively”.

**xxiv** This meeting marked the conclusion of the extensive preparation work that had taken place at the subsidiary since October. The Managing Director highlighted that the many internal reviews for MYR are “trial and error sessions” and that if subsidiary staff ‘buy into’ the content of the MYR presentation, so will the regional centre, and so will corporate actors. The Managing Director stated in his opening comments that there are three stages to the MYR: 1) the internal preparations and rehearsals at the subsidiary, 2) the mini-MYR with the regional centre, which is used as a rehearsal before the MYR and; 3) the final MYR with the corporate executives.

**xxv** The revenue numbers done by the consultants were forecasted and presented during the subsidiary’s last strategy workshop on December 19, 2005. For the Australian subsidiary, the 3 year forecast for FY07-09 showed a compounded annual revenue growth rate of 14.9% (Strategic Initiative Workshop Slides, 19th December, 2005).

**xxvi** The y-axis showed Billed Revenue numbers for the subsidiary (categorised according to products and also customer segments), market date (including PC shipments) and the subsidiary’s P/L (including CM and CoS for the two main customer segments and the subsidiary as a whole). The x-axis showed the revenue growth forecasts in dollars and percentages for the upcoming financial year (FY07) and also for the two (FY08) and three year periods (FY09).

**xxvii** The reason for ‘inflating’ the target came out in a discussion between Segment Leader #1 and #2 at the Boardroom meeting. They referred to the “cyclical nature of goal/quote setting”, and Segment Leader #1 mentioned that “if you set it high one year and underperform, it will be lowered again and you can overperform next year”. Over-performance would result in higher earnings.

**xxviii** The initiative in Customer Segment #1 aimed to improve customer insights through in-depth account segmentation. The MYR slide for example stated that: “The initiative will require the ‘Customer Segment’ to move from a ‘generic, horizontal and undifferentiated’ model to a ‘value and customer focused’ approach”. If for example included: “1) Focus on acquisition, retention and growth of existing customers – targeting revenue rich sub-segments; 2) Customer relationship relevant marketing; 3) Differentiated, value based and highly integrated named Partner Model; 4) MS builds a clear customer support strategy as part of our value proposition”. The initiative in Customer Segment #2 was: 1) intended to ‘deepen account coverage’ and ‘reduce the number of accounts per Account Manager’ (called the Depth Strategy and prioritised in 2006) and 2) increase penetration in the customer segment, resulting in broader coverage of the customer segment (called the Breadth Strategy and prioritised in 2007). The MYR slide stated that growth will be driven on two levers: “1) Penetrating our Customer Segment #2 customers deeper, through a CRM strategy based on incremental stack selling; 2) Delivering Vertical Stack solutions in our top 20% of segment accounts. Enabled by: End to end CRM strategy with ‘triggered response’ robust mechanism that delivers a new customer experience; Increased relevance via Industry specific solutions and dialogue. The Business Group initiative was intended to reduce illegal installations of unlicensed applications. The Customer Segment #3 initiative was intended to take a “solution based approach to market, targeting specific industries in the segment through a referral model with hosted and non-hosted offerings”. The Consumer Segment initiative was intended to grow the consumer segment through new product offerings and lifestyle scenarios. Four initiatives, similar to the ones for Australia, but excluding the Business Group initiative, were developed for New Zealand.

**xxix** The total funding request to fund the three growth initiatives in year one in the MYR slides was a little over $4.5mn and approximately $21mn for the three year period. The total revenue return on the three projects in year one was $27mn and approximately $195.4mn over the three year period.

**xxx** The “Within current Empowerment?” line listed in the tables means that the business leaders in the subsidiary can add the additional expense because it does not take them over the required CoS% (variable expense to adjusted revenue ratio).

**xxxi** The $1bn ‘magic number’ for FY09 was not recorded anywhere nor was it signed up to by Subsidiary actors at MYR. It however remained an aspirational target for FY09 by subsidiary actors.

**xxxi** Whilst this was significantly lower than +14% estimated by the consultants 3 weeks prior, it was still significantly higher than the revenue growth rates of around 4-5% from previous years.

**xxxii** The MYR marked the end of the engagement of the Strategy Consultants and only the Freelance Consultant would remain engaged for the initiation of the growth initiatives and customer experience strategy. In a phone interview with the Managing Director, he mentioned that the Senior Leadership Team “had decided not to engage the Accenture consultants to do the implementation phase”. “Too much time had been wasted and there had been confusion during the formulation phase”. During the MYR preparations in Singapore, “the Directors were asking questions as to ‘why’ and ‘how’ the growth initiatives and three year customer experience strategy theme would operate”, which meant that “there had not taken ownership of the initiatives and the new customer experience strategy”. So the way forward, according to the Managing Director, would be to get people to take more ownership and be more responsible for the activities relating to the growth initiatives and strategy theme themselves.
The investment requests were prepared and recorded in a template designed by a new Director of Planning (see Mini-case #2), which scored each investment requests on four criteria, including: 1) cost of sales; 2) ease of execution (with five sub-criteria); 3) impact on customer satisfaction/image; and 4) strategic value (with numerous sub-criteria). Each criterion carried a different score with cost of sales worth 40% and the others worth 20% each. The maximum possible score was 3.

Thereafter, the Finance Director and his staff started to negotiate with the regional centre the funding amount for the growth initiatives. During the negotiation process, the preliminary funding amount of $4.5mn requested by the subsidiary discussed at MYR was reduced and the subsidiary was informed by the regional office in fact not much additional funding was available to the subsidiary. The final funding allocated for the growth initiatives in the subsidiary’s operating expense budget of $122mn was approximately $3.2mn. This was a reduction of $1.2mn from the request of $4.5mn made at MYR however, with no associated change in the original revenue growth targets for the three growth initiatives. Out of this, the initiative in Customer Segment #1 got funded $1.5mn, consistent with the request made during the investment prioritisation exercise and presented at MYR. The initiative in Customer Segment #2 got funded $0.9mn versus a request of $2.1mn at MYR, a variance of 59.2%. The Business Group initiative got funded $0.5mn versus a request of $0.9mn at MYR, a variance of 44.4%. The cut back in the resources to fund the growth initiatives was due to the lack of increase in operating expense received from the regional centre, up from $120.5mn in 2006 to $122mn in 2007 after adjustments.

The Corporate Guidelines on Cascades explains the concept of a ‘Cascade’ as follows: “The goal of the Cascade is to align the detailed Subsidiary budget, entered by the Subs, with the top down WW Targets provided through Corporate Planning. The Cascade bridges the gap between the high level goals of targeting and the detailed budgets in each Subsidiary. In so doing, the Cascade ensures budgets are aligned with the high level strategies and goals of the Business Groups while acting as a check and balance to allow Regional and Subsidiary inputs. The Regional Cascade is driven by worldwide Planning and takes the worldwide Targets and allocates them into Regional Targets. The Subsidiary Cascade, driven by the Regional finance teams, follows a similar process and delivers Subsidiary Targets from the Regions. The final step of the process is the transition from Targeting to Budgeting which includes Reconciling the Subsidiary budgets to the Subsidiary Targets, the Regional budgets to the Regional Targets, and finally the WW budget with the WW Targets”.

This ‘guidance’ received in the cascades sparks off a series of ‘bottom up’ analyses, where subsidiary actors start to assess the local resources and activities required to achieve the numbers and whether there is any feasible given local conditions, market trends, customer behaviour etc. This is a lengthy process, and in 2006, the bottom up analyses started in February and concluded at the end of June when the budget for the upcoming financial year was ‘locked in’. In an interview, a representative from Finance, Participant V, explained how the planning and budgeting process works in the corporation: “…the way it works is that the world doesn’t start at our subsidiary, so there’s a set of executives and a process to review and set the targets for the whole year, and then the business is going to receive a target….and then that gets allocated to the subsidiaries in the region. So India, which has massive growth opportunity in the Asia Pacific, we expect them to be looking for 25-30 per cent growth next year ……..so APAC is going to get a high growth number…..they’ll give us an allocation of what they think it should be, and we’ll start negotiating a number, ….the dialog has started….they’ve given us some high level cascades ….we’ll do our work ….compare the two, and then let’s start talking…..

Similar observations were made about the Subsidiary Scorecard, where the growth strategy theme was represented by 56 measures, the customer experience strategy theme by 28 measures. For example, customer satisfaction was represented by one measure, which has been aggregated from surveys across the different customer segments. In 2006, the customer satisfaction measures resulting from the customer satisfaction survey were compiled into six A4 spreadsheets featuring a total of approximately 1610 different measures. These were then aggregated into a single number, representing the net change in customer satisfaction for the subsidiary as a whole. Similarly, employee satisfaction measures are broken down by person and senior leaders can for example see the satisfaction measures according to Direct Reports; Organisation Results; Benchmarking; and Areas for Action, with one example of this showing app. 4182 measures for the Managing Director and members of the Senior Leadership Team. Likewise, the revenue and revenue growth measures shown in the Scorecard are likewise compiled from a variety of areas across the business to provide a ‘consolidated’ view of subsidiary performance.

Many variations are available, showing for example segment data and product data, also showing details such as adjusted revenue, annuity revenue, cost of goods sold, variations of OPEX (organic, investment etc).

This for example included adjusting for certain retailing fees, which previously had been listed under ‘adjusted revenue’ but which were now moved into operating expenses. The 2007 number was also adjusted for resources allocated to special, one off, events in the 2007 budget.

The lack of increase in funding was according to the Financial Controller in part because of the investment made by the regional centre in the Australian subsidiary the year prior, where 60 new staff positions had been approved and created at the subsidiary.
This initiative was also linked to the strategising activities outlined in the House and specifically the horizontal pillar called Resource Allocation and ROI.

For example, the MYR slide outlined this growth initiative: "The initiative will require Customer Segment #1 to move from a 'generic, horizontal and undifferentiated' model to a 'value and customer focused' approach". It for example included: "1) Focus on acquisition, retention and growth of existing customers – targeting revenue rich sub-segments. Strategising activities also emerged in segment #2, specifically concerned with improving services and account coverage of the top 200 customer accounts.

This was followed up by regular e-mail update on the planning process from the Director of Planning. On for example May 8, he raised the following questions to them: "Where are we narrowing our focus from prior yrs? What will you be doing differently next year? What will you drop as a result of your choices and focus for your FY07 plan." Similarly, the Consultants' slides, presented to 135 Managers and Senior Leaders during a 2 day planning workshop, mentioned that the new planning process is: "designed to drive alignment, focus and accountability of key organizational goals and strategies throughout an organization".

This was envisioned to increase transparency and 'granularity' into 'who is responsible for what' and ensure that the business would achieve its targets. It was also envisioned to help reduce "over commitment", which has been identified as one of the problems in the past. This problem is due to staff having multiple "sergeants" (corporate, regional and corporate) which often make different requests, resulting in an unachievable number of activities and asks to execute on at a staff level. The level order planning is intended to reduce the number of individual staff commitments and activities to "achievable levels". This in turn was anticipated to result in better customer experiences, and improved "operational excellency" and productivity.

Participant Z explained this issue: "…..basically what happened last year was all the groups worked independently and we assumed that everybody else was going to do what they were going to do and that the interlocks would be OK. And so what you’d find happening with what Participant B’s plan would be, we’re going to do it this way…..but then Participant B is going to do things a different way. And when you got to the interlock meeting it was actually too late to make changes, and so it ended up being a negotiation and compromises which didn’t necessarily drive the right outcomes. So, I think the difference in last year and this year is that because the planning’s happening, the interlocks have been happening the whole way through the process, is that there’s more room to manoeuvre your plan based on what the other people are doing.

The second column in the Subsidiary Scorecard shows the 'Labels' used in the Planning Templates to link the measure set by Corporate in the Scorecard to the Level 1 measures in the Planning Template.

At the conclusion of the planning process, the consultants undertook a comparison between the Level 1 targets set by the senior leadership team and the targets set largely by corporate actors in the Subsidiary Scorecard. They found that that the ANZ subsidiary had four Level 1 targets more in their business plan than in the Subsidiary Scorecard, set mainly by the corporate actors. Thus, there was minor discrepancy between corporate and subsidiary targets and as such ‘alignment’ to the corporate priorities had been successfully achieved.

This was for example evidenced at a team meeting with all the Regional Sales Directors in Customer Segment #1. The Segment Leader said to a member of the team: “take us through dependencies; which strategies will have a dependency with other groups on execution?”. The team members then showed the cross-group dependencies and the ‘tactical cross-group issues to be discussed” – examples include:

- D1: “Help Partner grow business”. Showed the role of the customer segment in the partner development and readiness initiative.
- D2: “Increase service attach through theater of operations”. Show that the segment needed to align to Services and identify revenue inside the account management team.

The Segment Leader said that the "next step will be that I consolidate those dependencies and go and have discussions with leaders of the groups".

This initiative was also related to the People pillar in the House discussed in Mini-case #1.

The "commitment issue", according to Participant S, was an effect of various issues including the existence of "multiple sergeants" (subsidiary, regional and corporate) which each demand the attention of local resources (also due to the corporation’s matrix reporting structure); a focus and clarity of who is doing what and responsible for what activities; and also a tendency to "let people get away with it" where for example achievement on only five out of ten priorities has become an acceptable practice; or where the lack of preparation for, or follow up on, meeting points is seen to be "OK, because everyone does it". Whilst the planning template, outlined above, was intended to go some way towards solving the 'commitment issue', it was not enough. Behaviour change and a change in employee attitudes were also required and subsequently the culture change programme was introduced.
Practical examples (role plays, dialogues, exercises, slides, story telling etc) using workshop participants, (including the Managing Director and other senior leaders), were used during the two workshops in February and July to illustrate what is "undesired" versus "desired" behaviour. The participants of the workshops also went through several exercises, respectively taking on the role of the Victim and the Player, either in groups or in teams of 2. Role plays were also done, where the consultants demonstrated the behaviours, questions and responses of Victims and Players in a variety of situations, at times also inviting staff to play different roles, including the Managing Director and also the Director of BMO.

A Victim is a person who perceives himself as being "innocent", and who does not assume responsibility for events (such as blaming the traffic for being late). He blames the environment, is powerless, out of control and shows resentment and resignation. The Player on the other hand sees himself as "powerful", as "having the ability to respond" and assumes "response-ability". He holds himself accountable for his actions, and feels fear and anxiety, if for example he is late for a meeting. He focuses on the subject and is "in control" (of himself) and of influencing (others). For example, a Victim would say "the toy broke" (by itself, not me); "the milk spilled" (by itself, not me); "the teacher flunked me" (she did it, not me); "the report was late" (they did not get the information to me, it's their fault, not mine); and "we lost the account" (because the client is crazy, not because of me). The Player on the other hand will take responsibility and speak in "I person".

During the workshops, the consultants also facilitated a series of exercises focusing specifically on employee "commitment". The objective was to improve employee commitment and increase staff awareness of the importance of being committed to the promises they make and what they commit to deliver to the business (including work tasks, targets and revenue quota). Staff were for example faced with questions such as "what are the consequences of breaking a commitment?; how do we assess integrity?: how do we trust another person?: what is the degree of criminality when breaching trust?: how to have "commitment conversations":? how to make a request for commitment?: what are the acceptable answers to ensure commitment is established?: how to state your commitments?: how to say no?: how to make an apology?" This was linked to the lower OPEX budget.

This was intended to drive 'effective behaviours' within the subsidiary, and provide: "1) a broader vision by integrating different perspectives when assessing reality; 2) healthy conflicts, where disagreements are handled with curiosity and openness; and 3) increased capacity to respond to challenges (awareness of blind spots)." For example, a Knower bases his "actions on fear", whereas a Learner bases his "actions on confidence". A Knower sees "himself as a product", whereas the Learner sees himself as "an ongoing process". The Knower strives for esteem from "others", whereas the Learner strives for "self-esteem". The Knower is "arrogant and judgmental", whereas the Learner is "humble and curious". The Knower sees "himself as a product", whereas the Learner sees "himself as an ongoing process".

A group of US consultants (different to the ones in Mini-case #1 and Mini-case #2) was engaged by the corporate centre to conduct detailed analyses of the productivity levels of the fifty-one subsidiaries and also of the larger corporate segment within the subsidiaries.

The True View spreadsheet has a y-axis and an x-axis. The y-axis has 57 rows. It categorises the fifty-one subsidiaries (plus the USA office) based on size, which is measured as revenue volume, and also whether a subsidiary operates in a developed or emerging market. There are six categories of subsidiaries including: 1) US; 2) D4; 3) Large; 4) Medium; 5) Large Emerging; and 6) Emerging. It also groups the subsidiaries within each category based on their revenue size, with the largest revenue producing subsidiaries ranking highest. Here, the True View inscribes order into the social body. It becomes a value giving measure, which performs a role and which participates in making up the body politics of the social. The x-axis has 31 columns. There are four columns at the beginning, showing the: Total Revenue; Average Head Count; Variable Expenses; and Fixed Expenses. The subsequent columns are divided into five main categories including: 1) Total Subsidiary; 2) Customer Segment #1; 3) Customer Segment #2; 4) Business Marketing and Operations (BMO); and 5) Market Data. These columns break down productivity measures for each of the customer segments and the BMO department. The accounting measures are often expressed as ratios and most are based on accounting numbers. They include among others: Adjusted Revenue /HC; Variable Expenses/HC; Fixed Expenses/HC; Cost of Sales (%); Contribution Margin (%). This excludes the fields for the Customer Segments, BMO and the Market Data.

For example, the comparison of CoS and Var Exp / HC for BMO in Australian were out of range with the average. The main reason for this was that AU has centralised marketing expenditure in BMO. Other subsidiaries did not do that. Instead, each segment carried a % of the marketing budget.

This discussion about the True View Tool at the Strategic Planning Meeting in November concluded with a summary of what needs to be done to create for better comparisons, and the Managing Director took action to help the corporate centre construct "the right spreadsheet and compile the right information". This resulted in the Managing Director, Director BMO, Director Finance and Director Planning having a meeting the following week to discuss how to move forward with this. The Managing Director also arranged for a teleconference call with the corporate executive responsible for this. The following week, a request was made by the Managing Director to the
Director of Planning to write a feedback paper directing inquiries into the numbers in the True View tool and also proposing improvements to the tool. This was sent to the corporate centre.

The scrutiny of the productivity numbers also resulted in a call for action from the Managing Director to review and possibly adopt practices from other subsidiaries overseas, including for example a trip to Holland to learn about ‘what they are doing’.

There was nine action points in total, only four points are discussed here since they were the most important points and were discussed the longest at the meeting.

The 2006 preparations for the 2007 MYR also included a ‘post mortem’ off the three growth initiative to assess the returns they had generated in year 1 and which of them should continue and which should be ‘killed’. The post mortem showed that the Customer Segment #1 initiative underachieved very slightly on the stated target, delivering 9.8mn in revenue, 0.02% under its target of $10mn. The Customer Segment #2 initiative overachieved on the stated target for year 1 delivering 8.8mn in revenue, 10.3% above the stated target of 8mn. This was in spite of the lack of funding of this initiative with a variance between the funding request and the funding allocated of 59.2%, as discussed in Mini-case #1. The Business Group initiative underachieved on the stated target for year 1, delivering $7.8mn in revenue, 21.9% below its target of $9.6mn. It was decided that the Customer Segment #1 initiative should transition into its ‘core strategy’, the Customer Segment #2 initiative should continue and focus in the 2nd on the breadth strategy (since year 1 had focused on the depth strategy). The Business Group initiative was also decided to be allowed to continue into year 2.

This was followed by each member of the Senior Leadership Team commenting on the presentation by the Managing Director. Many commented on the numbers.

- The Finance Director said: “1bn is good number – split is directionally correct”.
- The Segment Leader for Segment #2 said: “At the high level, it’s good. It makes sense. There are no commitments at this point, I guess. Let’s not be constrained by the numbers, - we need to peel it back, for example, Segment #3 can do more than 20%. There is a difference between as aspiration and commitment”.
- The Director DPE said: “I like the numbers – it is aspirational with $1bn in 09, - we need to see more investment in 07 and 08”.
- The NZ Managing Director said: “What can be achieved? People perform to the number. So it is important to think about what it can look like”.
- The Leader of Segment #1 said: “Growth rate is hard, but possible, - we have to do step changes to reach them, - sooner rather than later to get there, we won’t see results for a while”.

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