Managing without strategy has, of late, become an increasingly inconceivable operation, as their meanings expand and intertwine. To understand this naturalised synonymity, this paper argues that strategy, as a vehicle of power-knowledge relations, promotes certain representational practices of accounting which are then widely internalised and reproduced. Despite the diversity of research on strategy, accounting has been perennially perceived as a passive, supplementary technology. This paper disinters the capitalistic omnipresence of accounting from within strategy discourses, and demonstrates how accounting is implicated in the articulation of what has been previously been simply labelled as strategy. The empirical context for making this affiliation between accounting and strategy visible is a very successful telecommunications company in the U.K. which apparently operates a ‘nihilistic’ strategic discourse, displaying a suppression and denial of strategic knowledge except at the very top level. This apparent conundrum can be unravelled, however, through a recognition of accounting’s hidden role as a means of, firstly, perpetuating strategy’s separation between the outside and the inside of the organisation, and secondly, instantiating strategy as presence in everyday discourse, even when it is formally absent and erased. Through this inauguration of accounting, the tale of strategy can begin to be told anew.
UNREST

‘Every time a beginning that is calculated to mislead: cool, scientific, even ironic, deliberately foreground, deliberately holding off. (...) In the end, in the midst of perfectly gruesome detonations, a new truth becomes visible every time among thick clouds.’
(Nietzsche, 1967/1908: 312)

The ignoble rise to prominence of ‘strategy’ has been riven with rationalisation and naturalisation, as competing discourses of managing have asserted their respective rules and rights over this contested territory. The absence of coherence has, however, failed to deny strategy’s stature within business discourse as a seemingly essential means by which Anglo (and now global) managements should organise their companies’ activities. Despite their self-proclaimed differences, the work of rationalists, such as Chandler and Porter, and processualists, such as Pettigrew and Mintzberg, can be identified as jointly seminal in the judicious positioning of strategy at the forefront of organisational activity in capitalist societies, their discourses joining to obscure the drama of calculated intrigue and deceit lying hidden beneath and between the considered layers and textures of argumentation.

It is only within recent critical work, pioneered by Knights and Morgan (1991), that a self-evident privileging of strategy has been thrown open to question. This paper wishes to follow their lead, heeding Whipp’s cry that ‘it is arguably research which has questioned the fundamental nature of strategy...which offers the most exciting practical insights’ (1996: 270) (see also Whittington, 1993; Alvesson and Willmott, 1995; Calori, 1998; Morgan and Sturdy, forthcoming). At the same time it questions even this emergent discourse¹, by introducing a further sense of disquiet into the field.

¹ The use of the term ‘discourse’ is not accidental. Hoskin (1994), drawing on Foucault’s (1981) ‘The Order of Discourse’, stresses how the term ‘discourse’ refers to that communicative ‘order’ which is neither reducible to the structure of ‘a language’ (langue), nor to its surface speaking/writing (parole); instead the ‘order of discourse’ is that prior level out of which such constructs as langue and parole always emerge, that historically specific communicative context into which we happen to be born and which we then shape and turn as we speak and (in literate cultures) write. The analysis of discourse therefore has as its object that range of things that happen, at a given time and in a given place, to be spoken or written. Now studying strategy as a discursive category or practice enables the management/accounting researcher to avoid beginning investigation from such problematic metaphysical categories as ‘the economy’, ‘the state’ and the ‘global market’ (though such categories remain objects of fascinated enquiry). Instead one may focus on what is said and written in particular settings (whether at the top of organisations or in their hidden interstices), and on what may call the ‘apparatuses’ and ‘practices’ which shape what is said (and not said), and who speaks and who remains silent. A certain primacy is therefore given to identifying the rules and regularities which govern the discursive practice of strategy, and so set its current boundaries (while also recognising how the transgression of given boundaries, the reconfiguration of the currently ‘sayable’, is itself always one of discourse’s regularities). This means that one will inevitably be identifying certain ways of speaking as powerful, and certain kinds of knowledge as privileged. Certain ‘cycles of exchange’ can then be described, e.g. between privileged knowledge and discursive regularities, as such knowledge proves to specify discourse, which then in turn directs knowledge (Said 1974). Equally one may observe the operation of the exchange cycle between privileged knowledge and power (a reciprocal ‘power-knowledge’ relation which then proves always to be mediated via discourse). In such ways one may reflect, in a new way, on how a particular ‘regime of truth’, such as strategy, is erected. Moreover, discourse analysis may here underscore the precariousness of the different current approaches to doing and conceptualising strategy (not excluding our own critical reflection), and thus reiterate the limits which befall any would-be objective knowledge within the field of human sciences.
of strategy research. The claim is that, despite the disruptive challenges made by critical studies, discourses of strategy still exhibit some intriguing and serious silences. It is the way that discourses on strategy constitute accounting which is at stake here. As embedded within the heart of modernistic attempts to plan and control, accounting has presented itself as an objectified technique, forming a subordinate part of the toolkit available to strategists. This scorched earth policy conveniently overlooks accounting’s constitutive role in the genesis of management (and thus of strategy), and the more general and contingent way in which calculative practices, and discourses of calculation, have grown in significance dramatically over the past hundred years or so (c.f. Miller and Napier 1993: 633). As Deleuze (1988: 75) states, ‘(t)here is no State, only state control, and the same holds for all other cases.’

Thus, while this paper is situated within strategy’s critical project, I wish to make a contribution by drawing on what is in many ways a parallel yet often ignored literature, that now known as ‘critical accounting’. Following the genealogical paths of Knights and Morgan (1991) and Hoskin et al’s (1997) as well as the theoretical excavation of the strategy literature in Lim (1998) and Lim and Hoskin (1998), I wish to further propagate their joined intention to firstly de-naturalise the question of strategy, and secondly, to disinter accounting from the obscured depths of modernist strategic discourse.

De-naturalising the Question of Strategy

‘How do we escape the logic of our reason?’
(March, 1988/1971: 261)

There has been a widespread assumption that strategy derives in some automatic or ‘natural’ way from the military sphere (where it is in the special province of generals), and that it has passed thence to the business sphere, whether in the distant past or via twentieth-century military science. However, the questionability of this assumption has begun to be unveiled, problematising the formation of strategic discourse in general. Knights and Morgan (1991; 1995) focused a critical attention on the construction of meanings as a process or practice in which the individual (and the individual text) cannot be separated in some absolute way from the social or organisational context. Morgan and Sturdy (forthcoming: 305) argue for a post-strategic framework which will respect the role played by varying environmental structures in the proliferation of discourses of strategy, as well as the ways in which these discourses actively participate in the construction of their own alluring representation of reality. In this way, therefore, the boundaries of the organisation are

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11 Our project exhibits a constant tension between theory and practice. While Hoskin et al (1997) theorise the entrance of accounting into the discourse of military strategy, it is not clear just how effective these practices were in-use. This blurring of the boundary between text and action may be intentional, but the lack of clarity extends to contemporary studies of the inter-relationship between strategy and accounting. This paper upholds the thrust of Hoskin’s thesis within the critical re-reading of theoretical discourses of strategy but finds the empirical picture far more complex. Theoretical and empirical discourses are joined in their ignorance of the constitutive power of accounting practices within knowledge of strategy, yet as a result of their differing contexts, empirical practices construct different formations to those found in theory. While this presents a barrier to the transfer of situational knowledge, this does not prevent the deeper understanding of the mechanisms at work across theory and practice.
appreciable as made visible through the discourse of strategy, and the separation of external from internal can be denaturalised.

Disintering accounting - rebuilding difference

The failure to engage with accounting’s role in strategy has meant, however, that all three schools (viz. the rationalist, processualist, and now, arguably, the critical) reduce, in at least one crucial respect, to ironical versions of the same, even as the tantalising possibility of critical difference materialises. I would, following the insights of Knights and Morgan (1991) and Alvesson and Willmott (1995), argue against the idea of a rationalist/processualist divide, warning that the processual school ultimately reneges on premises given and promises made, in a fashion which echoes that of the rationalists. But I would argue that this collapse of difference occurs additionally where accounting steals into the different analyses of strategy, as both approaches treat it as purely secondary, thus failing to appreciate its structuring power. And this is precisely the point at which the difference claimed on behalf of the critical analysis begins to weaken. For, to date, it joins with the other schools in perceiving accounting as a mirror, reflecting rather than constructing organisational reality.

Theoretically I wish to draw upon recent critical work, which has engaged in the rethinking of accounting, and thence of strategy, from outside the traditional boundaries of both discourses. Genealogical research has argued that the genesis of modern accounting and management stems from the C19th amalgamation of disciplinary practices of control with expert disciplinary knowledge systems of accounting (Hoskin and Macve 1988). Accounting is conceptualised as a technology of power and knowledge, and has been shown to have significant social and economic effects (e.g. promoting managerialism, imposing regimes of performativity, constructing individuals as calculable and governable (c.f. Burchell et al 1980; Hoskin & Macve 1986; Miller & O’Leary 1987)). These developments have enabled Hoskin et al’s (1997) thesis that modern strategy, in both business and the military sphere, may be an outcome or product of a deeper transformation, wherein new disciplinary practices (e.g. constant writing and calculation, accounting for and examining performance) have become embedded in the activities of both business and military strategy in a new way, beginning in the mid-19th century. By the 1960’s, conglomerates were proliferating across America, disembedding and transmuting the definition of the corporation (Espeland and Hirsch, 1990: 78). Accounting practices were wielded strategically to advance capital interests and claims, contributing to the constitution of stock market apparatuses as discursively reflecting the dual image of the identity and value of a firm.

‘The manipulation of seemingly technical concepts such as earnings, profits, growth and debt by managers and accountants, the significance these concepts achieved for investors as representations of a firm’s worth, the way this interpretation motivated the investment behaviour of specific audiences (e.g. investors, bankers, managers) all serve to illustrate the symbolic potency of accounting technology.’

(Espeland and Hirsch, 1990: 80)
‘If there is a strategy...I’m not aware of it...’
(Raymond, U.K. MIS Director: 6/98)
Theoretical challenges beg mercilessly for empirical articulation, and in this paper, I shall draw on an on-going ethnographic study into the U.K. operating company, (the ’opco’ iii) of a U.S.-owned telecommunications organisation, Teleco, to ground empirically this inauguration of accounting within the strategy literature. Non-participant observation over a two-year period, beginning with Lim (1997), has enabled a detailed archive of data to be collected from different levels and functions, and a critical analysis of prevalent discourses and practices to be begun. The empirical task here is to analyse critically the reflexive organisational spaces produced and contested by the discourses of accounting and strategy, tracing the blurring boundaries of the inside and the outside.

What is desired is the exploration of practices which take place beneath the surface, or at present beneath the threshold of visibility, within the context of this high technology company (c.f. Miller and Napier, 1993: 645). Where better to conduct an empirical study, therefore, than an organisation where managerial discourses circulate without any particular claims to be ‘doing strategy’? Where better, indeed, than an organisation where information gathered until recently suggested that there is no strategy, either pro-actively rational or retrospectively rationalised, at least in terms of a coherent pattern of decisions which fits the competitive context (c.f. Inkpen and Choudhury 1995).

When I first entered the opco, Teleco’s merger with Manumit, another global telecommunications organisation, was stirring up much confusion and resistance. This cannot, however, be blamed as the source of the strategic denial, as interviews conducted uncovered U.S. management’s appropriation of strategic decisions, yet flexibility within this was channelled through discourses of autonomy to enable the effective enactment of strategy. This contradictory concept of strategy was enabled through the yearly achievement of overall company revenue targets, an accounting practice which was used to measure and define ‘success’ for the U.K. opco. Importantly, interviews conducted at the new International layer of organisation (covering Europe and Asia) now reveal a rather different situation. For it is apparent that there is a strategy, but that it is not to be shared even with senior managers, because of the market-sensitivity of ‘strategic’ information. A degree of managerialist intent is thus introduced, as the absence of strategy becomes appreciable as derivative of practices of control, with ‘strategists’ within International attempting to guide and manipulate stock price movements.

Nihilism

‘Nihilism arises in the context of a new revelation of the world as the product not of reason but of will.’
(Gillespie, 1995: xxiii) iv

iii Opco is the abbreviated term used by interviewees to refer specifically to the U.K. subsidiary under study, and this scheme is replicated here. Teleco is used to indicate the global organisation.
iv Although note that Gillespie’s Nietzschean statement is made in the spirit of a counter-thesis which attempts to re-theorise the origin of the notion of will. Suffice to say this paper does not engage with this deeper debate.
The use of the term nihilism is intentionally provocative, and its play of meaning here cannot be taken to be singular. Being born of difference (c.f. Bogue, 1989: 26), it is never pure negation, but a negation of any idea of beginning from presence, or some positive move, and therefore of presence as dominant in action at any point up to the goal/objective (telos) and so up to and beyond the end (also telos) of life and meaning (Ansell-Pearson, 1994: 203). Nihilism can therefore be a principled position for subverting the positivist/metaphysics of presence mode of thinking about strategy. Thus, ‘doing strategy’ is a making-present of a possible future as a means of denying the nihilist fear that the future is in principle unknown. In this respect nihilism recognises that strategy is always about ‘seeing through a glass darkly’, but without recourse to some relief in a positive knowledge (e.g. visionary action, diffused and managed). But in this case there is a specific nihilism introduced into strategic discourse, since management have to operate knowing that strategy is positively absent, and not-knowing whether, how far, or in what way, it is positively present elsewhere.

One may see Teleco as an exquisitely nihilistic situation. Those below and even within International are thus disabled from operating ‘as if’ strategy is known, since strategy cannot be seen to be at work. At the same time, through extra-organisational discourse, they must operate with it being known, as the strategy discourse always circulates through managerial organisations through the practices of managing and their relation to a bottom line as a guarantee of future financial success. This double action offers a specific explanatory principle to make sense of discursive regularities, and points to the productive as well as repressive dimensions of nihilism, raising the concrete issue of what practices are subsequently released through this transgressive search for identities (c.f. Bogue, 1989: 31). Empirical data shows that the very suppression of strategic discourse within the opco, in the face of the wider institutional saturation with precisely this discourse, is paradoxically producing more of the same, as strategy becomes re-enacted through accounting practices as presence, despite the conceptual violation, even as it is erased.

The discourse of strategy thus circulates a nihilism within the opco, constituting a rational stance of resistance to adopt within discursive games for these organisational members⁷. In the quest for deeper understandings of rationales and irrationalities, it is possible therefore to suggest that the expert disciplinary practice of doing strategy may double as a technology of foolishness. As March (1988/1971: 261) argues, ‘[p]layfulness is a natural outgrowth of our standard view of reason.’

**DISENTANGLING DISCOURSES OF STRATEGY**

‘...a kind of unity that that is hard to disentangle, hard to analyze and, as must be emphasized especially, totally indefinable.’
(Nietzsche, 1967/1887: 80)

A significant and sophisticated ‘discursive’ field has emerged in strategy research, encompassing rationalist, processual and critical elements. Yet, and heeding Calori’s (1998: 301) call for epistemological scrutiny, from within all three schools can be

⁷ And consequently, one danger for the organisation is that strategy becomes a nullity for those below International level.
disinterred an accounting that is perceived to be a passive, supplementary technology (Lim and Hoskin, 1998). Thus, strategy’s image of accounting as mirror can be subverted, indeed, penetrated by discerning that the apparently innocent and ‘objective spirit’ of reality is indeed a powerful construction, sustaining a knowledge only knowable through accounting (c.f. Nietzsche, 1972/1886: 207).

Rationalist Stipulations
The first great debate within this field was that between the determinedly prescriptive and managerial tones of Chandler (e.g. 1962), Ansoff (e.g. 1965) and Porter (e.g. 1980, 1985), and the more sociologically-informed ‘processual’ research of Mintzberg (e.g. 1994), Quinn (e.g. 1980) and Pettigrew (e.g. 1985). The work of the former has been firmly and unapologetically self-located in the rationalist prerogatives of structured planning and control, wonderfully illustrated by Porter’s (1996) abnegation of the more flexible strategic discourses emerging from both processualists, and ‘management gurus’ (e.g. Hamel and Prahalad 1994). These ‘beliefs are dangerous half-truths, and they are leading more and more companies down the path of mutually destructive competition’ (Porter 1996: 61). The ‘rationalist school’ of strategic planning therefore continues to promote the imperative of strategy as formal analysis, despite the dissemination of discourses of hypercompetition.

Of great importance here is the view of accounting which enables such an approach to proceed. Accounting is wielded as the instrument which can provide the antidote to managerial anxiety, offering the suppression of uncertainty through quantifiability. This primary reliance is common to Chandler’s development of modes of administrative coordination, and Porter’s twin constructions of the Value Chain and the rational analysis of ‘competitive advantage’. Accounting is drawn upon as if it were already or always there, naturalising its discourse and refraining from the reflexive consideration of its genesis.

Processual Elisions
It is within the processual theories (e.g. Pettigrew, 1985; 1987; Mintzberg, 1973; 1994; Quinn, 1995/1978; 1995/1985), however, that a more surprising and intrusive reminder of the persistence of conventional accounting notions can be discovered and exposed. A theme which solidifies is the continuing pre-eminence of managerialism, and of accounting as its instrumentally unproblematic handmaiden, within strategic discourse. The dissemination of this way of seeing things in processualist research is increasingly remarked upon (e.g. Lim and Hoskin, 1998; Knights and McCabe, 1998; Morgan and Sturdy, forthcoming) and in our view it decisively hinders the development of a more viable way of doing strategy from within the processualist perspective.

At first glance, the processual strategy literature appears to undertake a clean break from the rationalism of the strategic planning school, scorning the normative overtones of its predecessor to emphasise the specificity of context. What processualists fail to move away from, however, is the bounded rationality which so characterised the work of March and Simon (1958) within decision-making. While Pettigrew (1985: 20), for example, promotes the ‘demonstration of how the organisation structures the perspective and interests of the individual’, his critique of the individual-centric focus of the decision-making literature clearly refrains from de-centring the individual, and thereby has the effect of reifying domains of knowledge
within the organisation (c.f. Lave and Wenger, 1991: 52). The inadequacy of such an approach is indeed recognised by March himself, as he found it impossible to continue to ignore the experimental and ambiguous context of decision-making in organisations. Thus,

‘How do you construct an account when you do not know when that account is going to be used, or by whom, or for what purpose, or in what context?’
(March, 1988/1987: 400)

As Alvesson and Willmott comment, ‘[a] basic limitation of much processual analysis is that little or no account is taken of how managers come to assume and maintain a monopoly of what has become institutionalized as “strategic” decision-making responsibility.’ (1995: 95). Instead of theorising the social and institutional conditions which have created this particular ideal of management, processualists prefer to centre their studies around a capitalistic monolith, acting to bolster the strength of their rhetoric. Consequently, strategy within processualist research is a top management discourse which presumes the existence of a hierarchical structure of power and knowledge. Accounting practices are naturalised as (opaque) reflectors of this strategy (Lim and Hoskin, 1998), ignoring therefore both their constructive power within what can be seen as ‘strategic’ as well as their sustenance of hierarchical knowledge within capitalist societies. The interesting point here is that while the processualists, by their very name, can be presumed to agree fundamentally with this contextual questioning, their discourse in fact forestalls the formulation and investigation of these questions, distracting attention away from the very practices which assemble or disassemble notions of hierarchy or structure.

‘Perhaps the idea of the founding subject is a way of eliding the reality of discourse.’
(Foucault, 1981/1970: 65)

Critical Silences
Within the critical school, forcefully proposed by Knights and Morgan (1991, 1995), a vital switch is undertaken away from the rationalist/processual discourses, moving to a ‘central concern [on] the emergence, development and reproduction of the discourse of strategy per se’ (Knights and Morgan 1995: 196). While we consent and indeed wish to further the thrust of Knights and Morgan’s critical project (also see Morgan and Sturdy, forthcoming), silences on the role of accounting cannot be left unchallenged (Lim and Hoskin, 1998)\footnote{In the light of advances in critical accounting, I feel that a continuing concentration on strategy, per se, threatens to obsfuscate the power-knowledge effects of alternative practices.}. As Clegg (1998: 39) asserts ‘[e]ach disciplinary practice...will calculate organizational rationality from distinct auspices of power and knowledge.’

What critical accounting can now add to this analysis is that the link to capital is increasingly inseparable from the link to strategy. As such, this adds weight to the argument that we propose, that accounting practices can be found at the very nucleus of strategic practice.
ON RECONNAISANCE IN THE TELECOMMUNICATIONS INDUSTRY - ARTICULATING A TALE OF NIHILISM

‘Financial capital, acting directly through financial institutions or indirectly through the dynamics of stock exchange markets, conditions the fate of high-technology industries. On the other hand, technology and information are decisive tools in generating profits and in appropriating market shares.’
(Castells, 1996: 472-473)

Stock market pressures are a systemic feature of contemporary capitalism, and the very existence of many contemporary (‘up-start’) telecommunications organisations is exemplary of the vitality of capital flows. Births as well as growth rely heavily on both capital and stock markets, an eternal becoming characterising so well this high-technology industry, with CEOs playing the game of public disclosures and earnings guidance to raise stock prices, finance investments and undertake acquisitions. As the above quote by Castells indicates, the role of accounting practices is complex, acting to create as well as measure success, and it is the examination of the stock market image which is disseminated, circulating between the business press, investment analysts and senior management.

‘...the simplest, most visible, most merciless measure of corporate success in the 1990s has become this one: Did you make your earnings last quarter?’
(Fox, 1997: 77; quoted in Macintosh et al, 1997: 151)

Feeding off this practice, Teleco had established a strong reputation for itself within the telecommunications industry. And yet, coming into Teleco for the first time, I found myself in the middle of a most troublesome merger situation with Manumit. As a means of market dominance, the acquisition made strategic sense, increasing both scope and scale. Having a strategy at this level did not, however, necessarily lead to a wider organisational, or internal, perception that a coherent strategy was actually in place, as the organisations and their strategies were constituted through quite constrasting discursive formations.

‘Manumit’s strategy was to build company value...not necessarily profit or contribution but company value. Teleco was driven by the US and was aiming at share value. The type of investor Teleco had in the past were people who get in and get out and make a profit on the shares, not people who sit and wait for the dividends to come every year. So we looked for rapid growth, rapid expansion, and generating share value... thus the view has been short-term’
(Jim, U.K. Marketing Director, April 1997 )

This raises, then, the question of the role of the discourse of strategy. Or more pertinently, what strategy? It is becoming clear that strategy is discursively constructed in differing ways at differing levels. Such a differentiation is kept, however, obscured in the literature, as proponents from Pettigrew to Knights and Morgan tend to iron out the fold of strategy, deferring absences even as they complexify presences (c.f. Law, 1994: 267). Exposing our analysis to the constant

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The pre-judgement of presence found within discourses of strategy can therefore be both overturned and investigated along the precarious fold of presence/absence found so unerringly within Teleco, this
play of difference (Derrida, 1976: 109) on the other hand, fails to make progress, and the investigation must necessarily be contained even as it explores new spaces of identity and organising. This paper will therefore concentrate on articulating the boundaries of the U.K. opco, stalking the trail of discourses and practices leading to and from International and the U.S. viii

**Tracing the Infiltration of Accounting Practices**

April 1997 was the month I first entered Teleco, and my research soon cohered around the sales department of the pre-merger opco. There were a number of reasons for this, including physical and personal access, and yet the prominence of sales in the discourses of directors soon convinced me that my choice was warranted. Success was defined through country autonomous targets as revenue growth, being communicated and enforced from the U.S. parent company. This inscription had been re-affirmed yearly since Teleco’s genesis, placing sales departments firmly at the ‘front’ of the organisation. Teleco can therefore be visualised as a rocket, with the number at the top, sales below, and supporting departments falling into their respective places beneath to enable the targets to be met.

‘The fact is, this is a growth company, and is 3-4000 miles away from head office. We’re pretty much left to direct our own affairs with the handshake being that the numbers are where they need to be.’

(Colin, U.K. Managing Director (1990-1997), May 1997)

Disseminating the import of sales to other departments were various functional budgets, whereby variances would be calculated and explained on a monthly basis. While control practices were thus nominally effected on a P+L basis, the importance of growth achievement was constituted as far surpassing the need to control operating expenses. Certain accounting calculations were made hard and immutable (c.f. Munro 1997) while others were allowed to dissolve through a process of interpretation.

The prominence of Sales and Marketing was created simultaneously with the entity of Teleco itself, with other operating functions following later, acting as appendages to the already present body of power and knowledge. Speaking to salespeople and management who were present at the entrepreneurial genesis of this U.K. subsidiary, virtually nothing else existed apart from a few dynamic account managers. A significant number still remained within Teleco, helping to sustain and nurture discursive practices on organising. A very informal organisational structure predominated, linking tightly with a flexible and ad hoc process of managing. Practices of personifying communication thrived within this fertile environment, pushing back the frontiers of more formalised accountability. Identity was constituted as shifting and multiple, further strengthened through discourses of flexibility and networking. Perhaps not unusually for the size of company, a paternal discourse of leadership was disseminated around Colin’s figurehead, as many ‘old-timers’ appeared to both remember and respect the authority and guidance represented within.

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viii The analysis holds back from critically exploring investment or financial analyst discourses. While their influence on discourses and practices within Teleco can be perceived and interpreted, following this path back to the analyst herself has not been possible. Hence, contextualising their power and knowledge is derived largely from Internet released reports and business magazines.
A primary influence, however, was that Teleco was in the midst of a full-scale merger, the most ambitious that the U.S. parent had ever attempted. Colin thus became the icon for legacy practices and loyalty to him appeared to be constructed in the face of widespread denial of contrasting discourses from Manumit.

Importantly, the presence of accounting concepts within salesperson discourses was naturalised. Talk of ‘costs’, ‘margins’ and ‘revenues’ formed the cornerstones of salesperson achievement and conflict, leading directly of course to the calculation of commission payment. Against the subjectivity of selling, therefore, was the objectivity of accounting practice. The measurement of a salesperson was through the numbers, demarcating the bottom line beneath which salespeople could not fall, establishing critical benchmarks for year-end and year-to-date targets. Meeting targets was the imperative for a salesperson’s identity (c.f. Knights and Morgan 1990), and concurrently celebrating a spirit of individualism was seen as complementary, instead of contradictory.

GL: ‘In terms of your time as a salesperson, what did performance appraisal mean to you?  
George: (laughter)  
GL: How did your sales manager appraise your performance?  
George: em.  
GL: Anything!  
George: Here is a target, this salesperson has to reach that target... if that salesperson reaches that target, that guy is ok... as simple as that.  
(Conversation with George, sales manager: 5/1997)

Enveloping the opco was a discursive recognition that the U.S. would take financial and strategic decisions, this domain being constituted as separate from the U.K. activity. Autonomy was sought and granted through the combination of financial performance practices and the country-as-entity accountability networks which deferred for the time being the contested and interdependent nature of global organising. Operating within the context of the U.K. was enabled through the construction of boundaries around activity, forming an assemblage made visible through financial reporting. Control at a distance was manifested through the spectacles of the stock market, satisfying U.S. Directors that their investment was sustainable. This appeared, therefore, to satisfy Goold and Campbell’s (1987) ‘financial control’ style of strategy, where formal strategic planning, over and above the calculation and dissemination of the annual targets and budgets, is perceived as inappropriate. However, in this context, the picture is a contortion. The presumption of the financial figures as substituting for strategy, enabling strategy to be devolved within a policy of decentralisation, can be seen to provide only a partial and potentially misleading explanation. Bound explicitly within the U.S. discourse of strategy was the practice of capital allocation, one which retained rather than disseminated authority for strategy. The flaw in Goold and Campbell’s categorisation, therefore, is that it ignores the discursive constitution of the financial numbers, thereby preventing the appreciation of how practices themselves have differing effects of power and knowledge.

While the edifice of the U.K. as an operating company remained intact, the circulation of capital specifically excluded the participation of top management. Negotiations were inevitably entered into, yet the discourse of strategy was powerfully framed
around a hierarchical notion of structure, or more violently, a dyadic knowledge of capital owners and capitalised employees\(^\text{ix}\). However it was noticeable that mobility was granted through the very durability of the key financial numbers, counteracting the discursive constraints of strategy, and sustaining the relative autonomy of U.K. practices. Thus while strategy per se remained confined to a more global context, the disciplinary power was constructively repossessed through a lack of tightening of control, and the enactment of decentralisation was discursively enabled, thus proffering the empowerment rather than the enslavement of knowledge.

Interdependencies as well as similarities can therefore be drawn between practices of accountability for individual salespeople and opco performance. While the UK Opco was discursively assembled through a complex constellation of practices, in terms of accountability, knowledge was objectified through the power of financial performance. Top management can thus be read as perpetuating the discursive formation into the sales function that they themselves are subjected to as opco directors. Few non-financial constraints were placed upon action, with ownership practices of strategy constituting the financial present as representational of future success. In the search for capital, stock market performance constructs a realism that out-bids the quality of other information.

The nihilism of strategy discourse was therefore resisted through the circulation and internalisation of discourses of autonomy, constituting the possibility for a strategic achievement of financial targets. Accounting practices enabled the enactment of strategy, even in its discursive absence, and a separation of the external from the internal was effected, conjoining an external financial and strategic image with, and sustained in the face of, a lack of internal and non-financial accountability. This juxtaposition of difference could be seen to characterise identities within sales as well as within the opco itself.

**The Aftermath of the Merger**

‘If International win their battle to take away U.K.’s higher level of negotiations...it will mean that people like myself...will be going round as prostitutes, with a cheap price that people will see and buy off us. We’ll just be whores, they’ll be whores, raping each other to see what we can get.’

(Rick, Salesperson, May 1997)

Throughout 1998, the scope of my ethnography grew into the broader functional activity of the U.K. opco, as well as beginning discussions with non-opco management. Upon doing this, I found that the merger difficulties, apparently unconsidered by U.S. ‘strategists’, pointed to a pivotal distinction of strategy from success.

Colin, the Managing Director (M.D.), had been in charge of the U.K. opco since its genesis. As such, his personal performance was inscribed through practices of accounting within the success of the opco. This was not, however, sufficient for him to retain control of the organisation. While it was the U.S. parent which undertook the

\(^\text{ix}\) Thus, the U.S. practice of financial control was one which constrained rather than enabled the organic development of the discourse of strategy within Teleco.
merger, and top management there retained their position within the organisation, the story unfolded in quite a different way within Europe. Riding on the back of discourses of globalisation within telecommunications, Teleco’s practices of independence were subordinated through a discourse of matrix organising. Power relations were aligned away from the legacy opco management, turning instead to the constitution of a new International layer of organisation, one which lay beneath the U.S. covering European operations. Indeed, the very rationale for opco management’s identity was called into question, and the institutionalisation of discourses of autonomy, from which they drew much employee support, began to appear confounded in the wider context of a globally orientated architecture of strategy, as disseminated from the U.S..

Following a genealogical approach, it is instructive to analyse the persistence of certain practices, to follow the prohibitive logic of their operation. Under the control of a new M.D., Alex (ex-Manumit), the evaluation of the opco through an apparatus derived from financial reporting continued almost unabashed, thus fuelling the discourse of autonomy, and critically, sustaining the sales-led structure of organising. As such, the terrain between U.K. and International was fertilised with the seeds of direct conflict, as the practices of matrix and country accountability clashed and failed to resolve, driven apart by the insistent call of country revenue targets. Consolidating and extending this network of hardened accountability were the departmental capital and operating budgets, made contingent on the achievement of financial performance. This disciplinary effect both sustained the coherence of the UK opco, as well as perpetuating the conflict with International discourses of interdependence. Movements of difference thus characterised the opco’s identity, enabling it to perpetuate and manoeuvre within organisational discourses, drawing on embedded alliances of power to sustain the strategic knowledge of the separation of outside from inside. The discourse of strategy perpetuated this dualism, resting critically upon accounting practices to both constitute an image of success and act as a barrier to the infiltration of the discourse into internal organising.

‘My view is that...every department...should have measurable performance criteria. My difficulty is that sales is the only part of the business that is truly performance related’
(Dennis, Sales Director, January 1998)

Measured through the institutionalised practices of accounting, the opco continued on a trend of successful strategic execution, and yet a sense of unease can now be felt, as the experiences of the internal organisation defy a presumption of homogeneity. The commotion erupting within Teleco was not the picture conventionally painted by strategic discourses of success.

‘We’re on a one-way ticket, heading to wherever’
(Robert, Customer Director, January 1998)

Assembling of International Structures
The emergence of the International layer led to pressures for it to establish its own identity as separate and distinct from Opco activity. The prior clarity of the respective roles of U.S. and Opco functions was shattered through the articulation of a differentiation of core from non-core functions, centring this as the arena of conflict. Network and MIS functions were re-defined as within International, making the
position of the M.D. untenable. The scope of the opco, and thus of Alex’s responsibility, was delimited and subordinated, acting to undermine for the first time the image of an autonomous and sales-led organisation, one which he personified and propounded. In this context, Robert, the previous Customer Director, was promoted to M.D., a move which reflected both his reputation within Teleco as a leader of change as well as the new perceived importance of customer discourses as able to consolidate and evolve the historical clarity of focus on sales. This intensified, however, the clashes with the broader International discourses of standardisation, as the emerging discourses of leadership supported both practices of autonomy in conjunction with a recognition of local expertises, a combination which propagated an expressed desire to resist formalised and bureaucratic processes of accountability. As Robert explained to me, ‘[y]ou can take a horse to water, but you can’t make it drink...’ (April 1999), making the point that people should be pragmatically enabled to find their own way in the organisation, rather than being decisively led.

Marking a significant change, opco targets were expanded to include margin, mix and customer satisfaction. OFTEL’s Comparative Performance Indicators (CPIs), feeding off the growing significance of customer discourses, were established and produced. Specific non-financial performance targets were measured and reported as a technology of Marketing. At the same time, internal accountability through Key Performance Indicators (KPIs) were not followed through, to the contrary, being pushed back and made mutable. While inadequacies in the information reason were most cited as the rationale for this, rationales for complaint arguably stem from the accountability of MIS to International, and as such, form practices of resistance against discourses of standardisation, or more provocatively, ‘McDonaldisation’ (as articulated by International management). These moves therefore constitute a complex assemblage of different practices, drawing and expanding on established notions of hardened external accountability, barricading the boundaries of opco identity, and thereby perpetuating the disequilibrium between discourses of independence and interdependence as well as notions of inside and outside.

Opco management increasingly stated, however, the acceptance that their organisation was largely a ‘sales and marketing adjunct’ to the core International activity, and discourses of autonomy were dispersed and dissipated. The integration of Sales and Marketing as a core initiative for this year, therefore, reflected both the curbing of the sales-led nature of Teleco, as well as an active consolidation and re-founding of identity. Sales, Marketing and Customer Service functions all achieved explicit recognition within the company-wide objectives for this year, a major development from the previous narrow focus on revenue targets.

‘We don’t want our strategy disclosed to outsiders...we don’t tell people what the strategy is even in the company...’
‘It’s a need to know basis. Business schools in their talk of buy-in company wide are too simplistic...’
(Shan, International Strategy, April 1999)

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\(^8\) The appointment of a new MIS director with direct reporting to the opco revealed the continuing importance of this discursive clash.
International had grown from merely a layer of legacy organisation to a more fundamental part of how the global network was co-ordinated, asserting control over European and Asian countries, with responsibility for maximising overall revenue. It is striking, therefore, that strategy as presence was contained at this level, being appropriated by, as well as feeding off, the control prerogative of International Directors. Powerfully authorised by the U.S. parent’s emphasis on share price, this financial engineering perspective naturalised accounting practices as strategy, promoting a mindset of stock market performance, and displacing other relations. The inter-relationship between financial performance, gaining assets on the cheap, merging and gearing was thus assembled, making visible the external boundaries of the organisation, as well as simulating a market maker or portfolio management model, with International management setting up capabilities and opcos being left to organise their abstracted internal accountability networks within this. Against the strategic prerogative of formulation and implementation, or content and context, broad targets are constituted as adequate, returning to the rationalist (e.g. Porter, 1980; 1985) assumption of non-interaction between the external and internal dimensions of strategy execution.

International therefore was positioned as tightly holding the strategic vision and formally breaking the link to opco and departmental incentive structures, a recipe for failure within both rational and processual discourses (also see Boxer and Wensley, 1986: 193). A culture of secrecy was intentionally imposed around strategy as the imperative of the market was wielded as a defence for this practice of control. ‘Strategic reports’, for example, are carefully guarded and only shown to the CEO for Europe. No-one else sees them. Indeed, while admiration for Shan in a personal context was common, articulated knowledge of his role was scattered and incoherent. Whereas before, the U.S. parent also contained the discourse of strategy, this did not prevent its enactment, and geographically, U.S. was clearly distant from Teleco. Now, with the formation of International within the very buildings that house their U.K. counterparts, barriers were permeable and differences confusing, thus hardening resistance and control practices as identity was challenged and re-sought.

This intentional nihilism of strategy was therefore justified through the lens of accounting, acting to deny discourses around implementation practices. Control through exclusion and prohibition was perpetuated, reinforcing the knowledge of International as powerful, as well as limiting their own accountability to non-financial objectives. This asymmetry of information constitutes a breach of strategic from operational activity, a fundamental break from theoretical notions of effective strategy\textsuperscript{xi}, pointing to March’s (1988/1971) technologies of foolishness and irrationality as rational analyses are stretched to their breaking points. International’s domain of ignorance would appear to be in operational and management issues, ones which threaten to explode into the financial and thus strategic arena, and yet these are sequestered within a discourse which irrupts solely within the confines of the opco.

Bizarrely, discursively separating strategy from management would appear to indicate that strategic knowledge is constituted through non-specific information, derived from the industry as a whole and conventional wisdom through business and

\textsuperscript{xi} This firm focus on strategy as analyst rather than customer/competitor perception seems unconsidered and at odds with the strategy literature.
telecommunications knowledge. Commercial sensitivity is thus raised as an excuse for critical analysis, constituting a partial independence of financial performance from knowledge of technology, looking instead to macro forces of industry evolution, alliances/partnerships and mergers/acquisitions. Localised expertises are discarded and displaced, with sharing and dissemination undermined in the face of ignorance and playfulness, thus striking a blow against the soft Human Resource approach in contemporary literatures.

**Transmutation in the Opco**

‘Nihilism. It is ambiguous:
A. Nihilism as a sign of increased power of the spirit: as *active* nihilism.
B. Nihilism as decline and recession of the power of the spirit: as *passive* nihilism.’
(Nietzsche, 1967/1901: 22)

Over time, the becoming of the discursive nihilism of strategy constituted a new regime of practices as resistance was juxtaposed with power to transmute the meanings of organisation and underscore how strategy is contested and multiple. The integration of Sales and Marketing was riven with the subtext of Marketing’s embrace of hardened accountability practices in the search for equal or in-front positioning within the conceptualisation of the firm. Discourses promoted knowledge of the customer, subjectified within Robert, as critical to selling as well as accountability to Sales objectives thus ascribing power to marketing technologies (Knights, Sturdy and Morgan, 1994: 48-49; Morgan and Sturdy, forthcoming: 194). This increased calculability was made relevant by the prominence of accounting practices within strategy, as enactment and *affirmation of strategy in the nihilism of its discourse* was pursued\textsuperscript{xii}.

Contradictions emerged between accountability for Marketing’s overall positioning and accountability for individual performance, replicating the disequilibrium of the opco itself. Individuals are still subjectified through discourses of entrepreneurialism and empowerment, with formal performance appraisal retaining a marginalised influence. This very difference, however, may have created the very possibility of identity within the genealogical context of organising discourses, drawing on both on the external ‘visibility’ of accounting and the ‘invisibility’ of internal accountability, extending the increasingly objectified border so defined for Teleco between order and disorder. And this, of course, in the context of conflict stemming from the intersection of opco and matrix accountability, independence and interdependence. Marketing therefore internalised and reproduced identity constituting practices, widening if not deepening the intrusion of accounting. Knowledge of self was propounded from the financial power of its operation, a knowledge which enabled departmental members to engage with the numbers, re-producing a strategy which *could not be the strategy of Teleco*. Strategy was explicated by International for Teleco, and yet as the strategy did not discursively enter into Teleco, the strategy for Teleco was elsewhere, uncovering a contradictory coherence of the concept of strategy\textsuperscript{xiii}.

\textsuperscript{xii} ‘But transmutation of values, or transvaluation, means affirmation instead of negation – negation transformed into a power of affirmation, the supreme Dionysian metamorphosis.’ (Deleuze, 1983: 71)

\textsuperscript{xiii} ‘Thus it has always been thought that the center, which is by definition unique, constituted that very thing within a structure which while governing the structure, escapes structurality. This is why classical
Alternative agendas are now being pursued, and the activity of nihilism paradoxically leads to the strategic ‘game’ still being played, uncovering as false the boundaries between real and fictional strategy, leaving us only with identities and differences (c.f. Foucault, 1970: 46-50). There was a visible promotion of customer-related functions to Executive Team level, as they were now positioned on the face of the opco top level chart. Discourses of Quality and apparatuses forming Centres of Excellence strengthened the identity of Teleco, and most noticeably, the introduction of a ‘planning model’ was asserted by Robert as being in evidence this year. This simulation and reconstruction of strategic practices (c.f. Morgan and Sturdy, forthcoming: 143), drawing on the extra-organisational prevalence of strategic discourse, may have been partly to compound the effectiveness of managing but also to capture the power appropriated by International through their restrictive defining of strategic knowledges. The internalisation of strategic absence by Teleco thus came hand in hand with the striving for presence, introducing similar practices yet still forced to uphold the International veil around the presence of strategic discourse.

Within the opco, the discourse of independence has led to uncoordinated work practices, as localised accountability as deferred from departmental/company accountability is sought as well as received by employees. Precisely this avoidance of internal hardened accountability to financial targets has led, however, to a relative ineffectiveness surrounding alternative agendas, such as Quality, and employees seem to be empowered to avoid these apparently urgent calls for action. On the other hand, this loose accountability forms a practice of resistance against the infiltration of International discourses and practices, aided, ironically, by the very inadequacy of International communication, monitoring and evaluation. Difference thus perpetuates the incoherence of Teleco, but constitutes the separate coherences of UK and International, as the discourses of Opco and International continue to skirmish and clash. The asymmetry in their respective rationalisations of action is aided considerably by the perpetuation of country specific targets, ones which undermine the clarity of the matrix organisation spearheaded by International.

‘The powerful will...transfigures the chaos and contradiction of existence into a new harmony.’
(Gillespie, 1995: 235)

INAGURATING ACCOUNTING

‘Setting prices, determining values, contriving equivalences, exchanging – these preoccupied the earliest thinking of man to so great an extent that in a certain sense they constitute thinking as such... ...man designated himself as the creature that measures values, evaluates and measures, as the “valuating animal as such.” (Nietzsche, 1967/1887: 70)

thought concerning structure could say that the centre is, paradoxically, within the structure and outside it. The center is at the center of the totality, and yet, since the center does not belong to the totality (is not part of the totality), the totality has its center elsewhere. The center is not the center. The concept of centered structure – although it represents coherence itself, the condition of the episteme as philosophy or science – is contradictorily coherent.’ (Derrida, 1978: 279)
This paper revolves around the spectre of accounting as mirror, exposing the continuing influence of this frequently invisible presence on both the theory and practice of strategy. The re-reading of strategy here has developed both archaeological and genealogical foci, intent on eradicating unreflective notions of accounting to break down the disciplinary barriers between critical accounting and Knights and Morgan’s (1991, 1995) critical strategy project. A historical trend of ethnographic data has been drawn on to emphasise the critical study of accounting and strategy as inter-subjective discourses and practices, demonstrating how they work to make visible the boundaries between the inside and outside of the organisation, thus providing insight into the heterogeneity of their empirical contexts.

Accounting re-presents strategy, bearing the practices that become the discursive subterranean bridge between the strategic and the non-strategic. A hierarchical exclusion is enforced whereby only merger and acquisition activity or director-level directives are perceived as bearing the Name of strategy, and yet notions of the strategic are still constructed. Strategic discourse is both invisible and visible, renacted in locales through accounting, and also through other intra- and extra-organisational practices, over and above the controls wielded through International. The boundaries of the U.K. opco are thus assembled, but movements of difference within accounting itself make this assemblage precarious, contingent on the stability of matrix organisation.

Perversely, the discursive nihilism of strategy constitutes alternative discourses, strategic but without the Name of strategy. This incoherence severs embryonic pairings of strategy and success, as their discourses separate and transgress. Success is achieved financially despite imperfection and apparent management failure, thus revealing the play of difference with and against strategy, highlighting fundamental problems with the synonymity so unreflectively relied upon in discourses of strategy. This offers an explanation for the persistence of apparent inadequacies in top-down management as pointed out, for example, by Boxer and Wensley (1986) and Mintzberg (1994).

The ethnography presented here is preliminary, yet revealing of the processes by which strategy and accounting are endowed with inter-meaning and *inter-rationalise*, re-presenting the possibilities of accounting to be strategic. Strategy is thus redefined and redefining, and yet its question must be de-naturalised, at long last awakening accounting practices from their false slumber within the womb of capitalism. And still, Pettigrew’s (1985: 49) question haunts me:

‘I have in mind the question of what constitutes success and failure...’

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xiv One may speculate as to the development of this peculiarly empirical situation. As the need for clearer and more controlled business processes becomes apparent, practices of measurement and discourses of shareholder value infiltrate organising. Accounting once again emerges hand-in-hand with strategy except critically this is now experienced at a variety of management levels, beginning and not ending with Marketing. The exclusivity of the strategy discourse thus implodes as employees buy into the wider availability of accounting practices, with difference made visible and attainable through a discourse of accountability. Gross Margin, Mix and Customer Satisfaction targets are taken on board as the new strategic rationales, reverberating throughout the organisation. The manifold effects of accounting may emerge, constituting discourses of cynicism and distrust as the drive towards financials becomes interpreted pejoratively as cost-cutting (McCabe *et al* 1998: 397).
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