GLOBALIZATION DISCOURSE AND PERFORMANCE MEASUREMENT SYSTEMS IN A MULTINATIONAL FIRM*

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Abstract

This paper examines the role of management control systems, in particular performance measurement systems (PMS) such as the Balanced Scorecard and key performance indicators, in a multinational context. We begin by exploring how globalization discourse is engaged with, consumed, appropriated, re-produced, disseminated and promoted in a major multinational company. We link the adaptation and dissemination of global discourse of senior managers with Said’s (1975) concepts of authority and molestation. We then examine how PMS are translated and customized within local manufacturing plants and sales units in the UK and China, the significance of benchmarking and the extent to which PMS render managerial discourse of globalization practical. We comment on the importance of discourse in understanding control systems in general and the way in which external discourses impact the internal practices of the organization. We also explore some of the sources that give rise to molestation (deviation of practice from global aspirations of senior managers). We conclude by stressing the potential for the globalizing effects of PMS through the interaction of the discourses of HQ and subunits, even in the absence of explicit statements about globalization.

KEYWORDS: Globalization, performance measurement; management control; discourse; authoring, molestation, Balanced Scorecard; key performance indicators (KPIs); multinational firm;
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Globalization has received much attention as an important feature of the modern world. Multinational firms are typically regarded as central vehicles in the globalization of the world (e.g. Fiss and Hirsch, 2005; Scholte, 2005). As Kristensen and Zeitlin (2005) point out, there are very few studies that adopt a comprehensive analysis of multinational organizations, examining not just the perceptions from headquarters but also taking seriously the histories and management practices of local units, and examining the inter-relations between the two. There are few examples in the accounting literature of attempts to examine how discourses on globalization are constructed, adapted and circulated, and what roles accounting technologies play in rendering such discourses practical at ‘local’ levels (Barrett et al, 2005; Cruz et al, 2011). Several studies engage with globalization within multinational organizations, but the analysis typically does not articulate the extent to which accounting may or may not help to produce globalization (e.g., Saravanamuthu and Tinker, 2003; Quattrone and Hopper, 2005; Busco et al, 2008; Hyvönen et al, 2008; Neu et al, 2008).

This paper aims to understand how, and to what extent, the discourse on globalization promoted by the HQ of a MNC is rendered practical and enacted by its sub-units. Our emphasis is on accounts of practice provided by our informants. Our analysis connects with Miller and O’Leary (1990; 2007), whereby we examine processes of ‘conceptual invention’ in order to explore the extent to which globalization can be rendered meaningful and managers can be induced to take action consistent with an understanding of what being global means for their day to day activities. If people are asked to be globally aware and respond to globalization, then our concern is to understand the ways in which accounting facilitates (or not) that awareness. Further, we emphasise that discourses of globalization are not simply internal to the organization. As Miller and O’Leary argue: “The analysis of internal accounting change needs to take seriously the complex network of political and cultural debates within which accounting is enmeshed, rather than assuming it away.” (1990: 481).

We thus examine first how our focal organization articulates its connection to globalization through annual reports, speeches by executives and other modes of communication as well as interview material. We explore how globalization discourse is engaged with, consumed, appropriated, re-produced, disseminated and promoted in a major multinational company (MNC). A degree of scepticism, if not cynicism, is often associated with such articulations, yet there is a growing literature that shows that discourses have material effects (e.g., Oakes et al, 1998; Power, 2007; Ezzamel et al, 2008). Talk is rarely ‘cheap’; it impacts the way we observe, understand and ultimately act. We argue that accounting systems and practices can be significant in connecting discourses with material effects. Second, and more specifically, we examine managerial accounts of the extent to which performance measurement systems (PMS), in particular the Balanced Scorecard (BSC) and key performance indicators (KPIs) render discourses of globalization practical.

This paper connects with the extant accounting literature on discourse analysis. It shares an interest with prior studies in how discourses are constitutive of both objects (such as strategies, Knights and Morgan, 1991; the conception of the product, Miller and O’Leary, 1993; shareholder value, Ezzamel et al, 2008), and subjects (such as auditors, Gendron et. al., 2007, and strategists, Ezzamel and Willmott, 2008). It builds on studies that examine the disciplinary consequences of discourse for organizational employees (including those credited with
producing or resisting the discourse). We explore how the wider discourse on globalization is constitutive of managerial talk and how it has disciplinary effects, for example how it produces a particular context in which corporate activities are undertaken, and the manner by which control systems are developed and deployed.

The accounting literature has been concerned with examining the connection between accounting and globalization in a variety of contexts and issues. Seal (2010) examines how the discourses of ROI, strategic management accounting and value based management impact and are taken up in a multinational firm. However, a limitation of that study is that it explores managerial discourse predominantly through press and other reports and views the firm as a single entity. Other management accounting studies that discuss globalization focus on how different organizational levels interact, for example subsidiaries and headquarters. Buseo et al’s (2008) study is concerned about the constructive role of globalization discourse, in terms of how managers promote ideas of globalization and are also disciplined by them. Quattrone and Hopper (2005) and Dechow and Mouritsen (2005) focus on accounting objects, notably ERP systems. Only Cruz et al (2011) have examined how performance measurement systems can help to enact discourses of globalization. Cruz et al focus on localization of a global performance measurement systems in a joint venture. Our focus on discourse, systems and measures builds on their insights while avoiding the problematic dualistic distinction between the local and global.

Further, we examine how globalization discourse is connected to not only the organization’s context (which is constituted by discourse) but also to the wider discursive field on globalization. Our study seeks to contribute to the literature by focusing upon two issues: first, understanding what discourse on globalization emerges within an MNC and how it connects with more general discourses on globalization. We see this as important in terms of helping us contextualize the discourse of a particular organization in relation to that of the broader discursive field in order to improve our understanding of managerial pronouncements. Second, we wish to explore the connections that may exist between discursive statements circulated by a company’s executives and the performance of multiple managers and workers in multiple sub-units. In seeking such a connection, we would not expect that organizational performance maps perfectly onto discursive statements; the connection between the two may be quite loose. However, managers have an interest in seeking to render their discourse practicable and aspire to demonstrate some link between their discursive statements and firm performance. The Balanced Scorecard (BSC) has been promoted as a way to make strategy more concrete and action oriented (Kaplan and Norton, 1996; 2001). The claim is that the BSC helps to operationalize managerial discourse concerning goals, missions, values and strategies. It can thus be seen as an accounting technology that provides a set of programs and technologies that translate discourse into procedures that organize work practice and formalise performance (Miller and Rose, 1990). Performance measurement systems, such as the BSC and its associated KPIs, are an important part of this assemblage of technologies, which aim to link achievement to discursive statements.

Our study is not only concerned with the production, circulation and consumption of the discourse on globalization, but also with the extent to which measurement systems and measures encourage local subjects to enact HQ’s ideas. We pursue these issues by asking specific questions: What discourses on globalization have been produced and disseminated within the MNC at the international HQ of an MNC and its national HQs? By what systems or measures do senior managers of an MNC seek to render practical their discourse on globalization? How does enacting the HQ discourse on globalization by sub-units occur in relation to the control systems and practices, notably around performance measurement? What strategies of ‘engagement’ with the ‘global’ can sub-units pursue (e.g., not adopting a global KPI, or adopting but customizing a
BSC system)? What strategies of translation do sub-units follow in enacting a globalization discourse?

The remainder of the paper is organized as follows. In the next section we examine the general and accounting literature on globalization. We then discuss our research method, before we provide a brief history of the case study (Megacorp, a pseudonym of an MNC). This is followed with an analysis of the globalization discourse produced and disseminated by the managers of Megacorp. Thereafter, we examine a number of control systems that have been developed as translations of the globalization discourse of Megacorp. It is at this point in the paper that we focus on specific financial and non-financial measures. We pay particular attention to the role of the BSC before we examine two individual KPIs: earnings before interest and tax (EBIT) and suggestions for improvement, as illustrations of financial and non-financial measures. In the final section, we discuss our main arguments and their implications before drawing the paper to a conclusion.

**DISCOURSE OF GLOBALIZATION**

“[G]lobalization is not merely a set of material processes anchored in economics and technology, but also constitutes a system of ideas circulating in the public realm as more or less coherent stories that attempt to define, describe, and evaluate these very processes” (Steger, 2005: ix)

Globalization, as the above quote suggests, has political, economic, social, and cultural dimensions. It also has an important discursive component, which, in different eras, is associated with slogans such as “workers of the world unite” and “the world is flat”. Discourses of globalization have considerable power that entices actors, such as the managers in our case study, to engage with it. Consider the term ‘global village’ coined by McLuhan (1960) which underscores the compression of time and space across the world (Harvey, 1989) and suggests challenges and opportunities facing contemporary managers. The term offers a vision of a homogenous, closely-knit world community to which everyone should belong, with the implicit risk that those who do not join in will be ostracised and alienated. The power of such a discourse rests largely on its ability to offer attributes of globalization that are connectable to a vision of the modern world that celebrates universalistic values of rationalization, secularization, science and education (Boli et al, 1989; Drori et al, 2003).

Globalization has acquired an ‘aura’ of inevitability (Spicer and Fleming, 2007) and its proponents have articulated a powerful and seductive discourse propounding its merits. We consider globalization to be an important discourse for corporate executives because it is frequently presented by consultants, gurus, business schools and the business press as a sensemaking response to emerging opportunities and threats in the world economy. Fiss and Hirsch, 2005 show that, throughout the period 1984-1998 they studied, company press releases and annual reports presented globalization as inevitable and its consequences as positive.

Studies of globalization such as Barrett et al (2005) and Cruz et al (2011) have tended to counterpose the ‘global’ and the ‘local’. In contrast, our analysis seeks to avoid dualities or oppositions between the global and the local. As Scholte (2005: 79) notes, separating the global and the local has the undesirable effect of depicting:

“the local as ‘here’, immediate and intimate, as against the global being ‘there’, distant and isolating. The local is concrete, grounded, authentic, and meaningful, whereas the
global is abstract, unconnected, artificial and meaningless. The local purportedly provides security and community, while the global houses danger and violence. The local is innocent, the global manipulative. The local is the arena for autonomy and empowerment, the global the realm of dependence and domination”.

We regard the ‘global’ and the local as ‘two sides of the same coin’ (Robertson 1992: 178); interpenetration, rather than separation, is a more appropriate description of their relationship (ibid: 100-103; 130; see also Latour, 2005; Scholte, 2005). Concerned to understand how the global ‘system’ has been, and continues to be, made, and with the production and re-production of the world through globalization, Robertson argues that globalization should be studied at both the global and sub-global levels (ibid: 53-61). The global field is always contested and reshaped through competing definitions of the global situation. Robertson is critical of viewing the global and the local in terms of macro and micro levels of analysis preferring to analyze ‘glocalization’, “a complex interaction of the ‘global’ and ‘local’,” (Steger, 2005: 40). This view stresses the interactions that produce both homogenizing and heterogenizing effects, or arenas of ‘hybridization’ where new meanings are derived (Hannerz, 1992). To move beyond the dualism or dialectic of the ‘global’ and the ‘local’, in the remainder of this paper we refer to HQ and sub-units and only use the terms ‘global’ and ‘local’ when our informants or archival material invoke these terms.

**Authoring and Molestation**

In this paper we explore two issues: the discourse on globalization produced in an MNC and the extent to which such a discourse can be made practical. Much has been written about discourses, and there are many theories that inform discourse analysis. Many studies are deeply influenced by Foucault and his emphasis on power-knowledge and the importance of discourse in producing and framing knowledge. We share these interests but use some of the ideas of Edward Said, who has examined the relationship between discourse, power and a central element of globalization, namely colonialism. Said is best known for his work on Orientalism and the role of discourses in constructing an (often inferior) ‘other’ (1978) and his study of how culture reflects, produces and enables imperialism (1993). Given our interest in exploring globalization discourse and how discursive statements are connected to the wider discursive field, we draw upon, adapt, and extend some of Said’s concepts to help analyze our case material. Said (1975/1997) emphasizes two notions in the analysis of discourse: ‘author’ (authority) and ‘molestation’. Authoring connects to ideas of power and has resonance to Foucault’s discussion of what is an author, but has the advantage of identifying four elements of the authority of an author:

“(1) that of the power of an individual to initiate, institute, establish-in short, to begin; (2) that this power and its product are an increase over what had been there previously; (3) that the individual wielding this power controls its issue and what is derived therefrom; (4) that authority maintains the continuity of its course” (ibid: 83).

For Said, authority entails both the power of authoring a text as well as the authority of the writer. Said emphasizes ‘beginnings’ to mark authorship. A beginning does not speak of a single, unequivocal point of origin, but rather of repetitions, whereby each repetition never fully reproduces previous repetitions and hence authorship accompanies every repetition. Consistent with Foucault’s concern with displacing the sovereign individual and underscoring the power of discursive regimes, we follow Said in emphasising that while no author has absolute power, for example does not invent a text from nothing, but builds on previous texts, in the act of repetition individuals author texts because no two repetitions are the same.
While discursive pronouncements on globalization by executives cannot be treated strictly like novels (Said’s focus), they are nonetheless texts. Unlike the authors of novels, senior executives seek to move beyond the production of a text by introducing management technologies (e.g., accounting systems) to render their discourse practical. One appealing feature of Said’s work is his emphasis on intention in inscribing or uttering a text and we take our interviewees’ discourse on globalization seriously, in that we invest it with intention. As we indicated earlier, talk matters. In part, we support our argument later by reference to various means by which senior managers of Megacorp sought to make practical the globalization discourse they authored.

Molestation refers to the ‘bother’ and ‘responsibility’ of all the powers and efforts invested in authority. It includes, but extends beyond, the Foucauldian concern with resistance. For Said, molestation reflects the fact that authors recognize the difference between the text s/he authors and the reality to which it relates; hence his notion of author duplicity in producing a text that may be taken as a pretence in its alleged depiction of reality. There is always likely to be a measure of molestation to a greater or smaller extent. For example, a text may be intended to be purely rhetorical, symbolic, or fictional. In such a case, molestation registers rather high, for the connection between the text and reality (however this is defined) will be either completely missing or tenuous. Thus, a rhetorical text produced by the CEO of an MNC concerning the introduction of a new performance management system intended to gain external legitimacy is likely to have a high molestation register. Alternatively the author of a BSC-based management control system, may intend for it to be put into practice (Quattrone, 2009) but the process of translation may result in outcomes different from those desired or anticipated because of the familiar problems of translation, customization to different organizational locales and implementation, resistance, or indeed because of inappropriate knowledge by the author of the capabilities of distant sub-units. So, moving beyond Said’s conceptualization, for us molestation refers not only to the intentions or lack of detailed knowledge of the author, but also to the resistance of the audience.

Said’s two concepts of authorship/authority and molestation are of immediate relevance to the focus of this paper. We draw on authorship/authority in order to analyze the discourse on globalization produced and promoted by the senior managers of Megacorp. The four elements of authoring identified by Said help us in understanding not only the power of those who initiated the discourse of globalization at Megacorp but also how that discourse is articulated in different ways at different levels of management. However, unlike the text of a novel, our case study shows there are potentially numerous texts in which globalization discourse can be re-authored even by the same person over time. We further draw on molestation to explore the extent to which it may frustrate or restrict the ability of the BSC, SPM, and KPIs to convert management globalization discourse into something doable and practical. Like Said, we understand molestation to include the gap that exists between the discourse as authored by someone and his/her recognition that parts of that discourse is fictional. But we go beyond Said in also considering as molestation the alternative translations of corporate discourse on globalization in the process of its enactment by lower levels of the MNC hierarchy and explore possible sources of such molestation. Before using these ideas in our case analysis we discuss our research method and provide a brief overview of our focal organization.

DATA COLLECTION AND RESEARCH METHOD
The empirical material we draw upon comes from several sources. First, over the five year period 2005-2009 we conducted 97 semi-structured interviews at several locations in Megacorp: three manufacturing sites producing similar products in Germany, the UK and China; two sales units in the UK and China; the national headquarters of the plants and sales units in the UK, China, and Japan; and the German headquarters of the major division to which the manufacturing and sales units belong. The breakdown of the interviews is as follows: in the UK, 51 interviews; 34 in China; 10 in Germany and 2 in Japan. We selected Megacorp because we were aware that they were implementing a Balanced Scorecard and we proceeded when we obtained good research access (where the main condition required was an assurance of anonymity). Second, we collected a large number of internal documents relating to historical accounts of Megacorp, its organizational structure, the division to which the sub-units belong, and manufacturing and sales units, key performance indicators (KPIs) relating to each informant and their definitions, and performance reports. We also obtained other textual material on what informants identified as key processes and performance systems developed and disseminated by Megacorp or those that emerged locally at the level of manufacturing and sales units. Third, we examined publicly available documents about Megacorp, including its annual reports (1998-2009) and press coverage. Most of the empirical material we draw upon, however, comes from interviews and documents relating to the manufacturing and sales units in China and the UK as well as the division’s international HQ. Additional material collected about Megacorp from visits to units in Germany and Japan are used as background.

Our interviews were wide-ranging in terms of informants, their functions and hierarchical position. For example, in the UK manufacturing unit, interviewees covered the seven management levels in the plant, from the plant manager to operators, and across all functions. This pattern was repeated for the Chinese plant with the exception that we did not interview anyone below the level of supervisors because operators did not speak English, the formal language in Megacorp. In sales units we interviewed staff at different hierarchical levels and in various functions including sales, advertising, marketing, finance, and HR. At national and worldwide headquarters, our emphasis has been upon gaining an understanding of Megacorp’s discourse on globalization and how PMS and KPIs were designed, translated, and enacted locally. Our interviews also sought to solicit informants’ views on how PMS and specific KPIs emerged or arrived at sub-unit level, how they were defined and the extent to which their definitions were customized to suit the context, how informants engaged with these PMS and KPIs in their day-to-day work, and how they mobilized the measures to both inform themselves as well as others about their activities. Each interview was conducted in English, lasted between 1 – 1 ½ hours, and was recorded and transcribed.

At the level of sub-units, informants were asked to explain briefly their current jobs and employment history before responding to questions on a range of issues related to the focus of the research project. These included the KPIs that appear on the performance reports of the informant: their definition, the informant’s understanding of these measures, how the informant engaged with them in daily activities, and how they impacted on the informant’s activities, appraisal, bonus earned, and career development. We also asked about any recent changes in KPIs, either in their definitions and/or their displacement by new PMS or KPIs; the extent to which the informant negotiated the level of target for each KPI with superiors; how the informant thought his/her KPIs connected with the overall KPIs for Megacorp; and how the informant used such measures to inform herself/himself of subordinates’ activities and to inform

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To preserve anonymity, all names used in the text to refer to the company of our study or any of its parts are pseudonyms.
superiors of his/her own performance. An additional set of questions were asked of staff who were involved in translating and customizing Megacorp’s global KPIs to sub-units and also in developing their own local KPIs, and the process of such customization.

The empirical material relating to the enactment of the HQ’s globalization discourse by sub-units is organized around two countries (The UK and China) and two facilities (production and sales), producing a 2x2 matrix. We also examine PMS and KPIs at two levels: as a whole system, such as the BSC for each cell, and as individual measures. For each cell of the above matrix we examine one financial KPI (earnings before interest and taxes, EBIT) and one non-financial KPI (suggestions as a measure of learning and growth).

The interviews and documents (including analysis of annual reports for the period 1998-2006) were read closely in their entirety and then organized around our key research themes and related theoretical ideas. For example, given our interest in examining the production and dissemination of the discourse on globalization in Megacorp, we traced statements made by our interviewees and in the other source documents, concerning what globalization meant and who made such pronouncements. Similarly, interviews and documents were analyzed around themes relating to the emergence of KPIs, their translation and customization, and their enactment by sub-units. Our analysis was largely based on careful reading and re-reading of the materials and discussions among the authors on the relation between theoretical categories and our interviews, site visits and examination of corporate materials. In this phase we drew from the methods of grounded theory (Glaser and Strauss, 1967). As the data collection phase lasted over five years, we could iterate back and forth between our emerging theoretical categories (such as the components of globalization and the processes of authoring and molestation) and our ongoing data collection. Towards the end of our fieldwork, we more explicitly incorporated discourse analysis, with an emphasis on what Clarke (2005) refers to as situational analysis of texts, where what is written is located in a social space.

MEGACORP

Many writers emphasise the importance of locating an analysis of discourse in a specific context (Clarke, 2005). Accordingly, we offer some background on Megacorp, a major MNC with headquarters in Germany. Megacorp operates in over 100 countries, with half a million employees, and a world-wide turnover of tens of £ billions. The international HQ identifies three key, ‘global’ steps to achieving success across its sub-units: goals (e.g., increasing EBIT, optimizing customer benefits), measures (e.g., implementing business-specific measures, applying systematic best practice, developing staff), and consequences (e.g., monitoring and measuring success, offering incentives, applying sanctions) (Internal Document, undated). Megacorp’s portfolio of activities at the time of the interviews covered six major divisions, including the Electronics Division that has numerous production and sales units around the world. We focus on four units within the Electronics Division, two in the UK and two in China.

MegacorpUK has operated in the UK for about 100 years. ElectronUK is part of MegacorpUK, and it employs about 400 people, has a turnover of approximately £50M and produces high volume, low complexity electronic products. In the late 1990s, ElectronUK was designated a semi-independent business and given increased autonomy in manufacturing, sales, design, and marketing. Its average annual profit since then has been about £5M. However, Megacorp centrally determines the transfer price for ElectronUK’s products and major currency movements has meant that: “despite our volume in pieces growing, our volume in turnover wasn’t growing.
So consequently our profitability was getting hit very hard because of the exchange rate” (Finance Manager, ElectronUK). Declining profitability in the mid 2000s prompted HQ to issue an ultimatum that unless ElectronUK turned these figures around, it would be shut: “Along came China and we were literally told two years ago ‘guys, you either meet the cost level that China can offer or you know it could be curtains’” (Manager, ElectronUK).

Megacorp started in China (MegacorpChina) in 1985 and ElectronChina began production in 1996, following the formation of a joint venture between Megacorp (60%) and two Chinese companies (in 2002 Megacorp increased its ownership in ElectronChina to 85%). It specialises in high value electronic products. By 2003 MegacorpChina was delivering the third highest international sales for the Electronics Division, and employing over 20,000 people (source: internal document, 2003). Following a period of average annual growth of 30% for a decade, competition began to intensify:

“All our major international competitors are there [China]. What’s more, we face increased competition from a new breed of homegrown Chinese manufacturers. Competition is aggressive and often centres on price. As a result, margins are under pressure in almost all our businesses” (CEO, MegacorpChina, internal document 2003).

Local Chinese competitors used their low cost base to “offer comparable products for prices significantly below our [ElectronChina] cost – and still make a profit” (ibid). However, against this background of slimmed down profits and tough competition, ElectronChina has been growing rapidly from a production facility of around 200 employees in early 2005, when our interviews began, to nearly 700 employees by the time we concluded our interviews.

In both the UK and China, sales units were established with the purpose of buying products from their national plants and selling them to external customers. Our informants suggested to us that strong liaison exists between the production plants and the national sales unit to coordinate production, product range and delivery times, as well as to deal with internal product transfers.

Three systems co-existed at Megacorp, all promoted in the name of encouraging globalization and facilitating management control: Time (TIME); Process Improvement (PI); and the Balanced Scorecard (BSC). These systems together provide the broad management context within which globalization was intended to be made practical and through which performance measures were intended to moderate the link between globalization discourses and local practices.

TIME was introduced in 1993 by Megacorp as its “response to the globalising world” (Annual Report, 1993), and is presented as Megacorp’s “global business excellence initiative” (Internal documents, 2002; 2003; 2004; 2005). Its stated aim is to increase profitability by stimulating sales revenue and reducing costs across the whole organization. To achieve these ends, TIME relies heavily on innovation and benchmarking, with a focus on KPIs for efficiency and productivity. Each unit within Megacorp has discretion to use TIME in whatever way it deemed fit:

“It’s not prescriptive inasmuch as it doesn’t say that you have to do this and you have to do that. It says you have to look into these areas, but it’s up to you how you go about it” (Manager, international HQ).

Bhimani (2003) analyses in great detail a similar system to TIME.
Process Improvement (PI) is a benchmarked best practice approach for routine processes, such as meeting a customer request or requesting a tender from suppliers. Concern with designing and managing business processes at multiple locales has been at the heart of how the senior management of Megacorp sought to convert its globalization and best practice discourse into KPIs that would impact local practice.

Balanced Scorecard (BSC): The BSC was formally introduced in the Electronics Division in 1999 and seen as another way to promote conformity with senior management’s discourse on globalization, excellence, efficiency and greater uniformity of performance measurement and monitoring across all units. It has the familiar four quadrants: customer-market; financial; internal processes; and people/innovation/learning and growth. An Internal Document (2003, Electronics Division) claims that “all measurable business performance data is recorded on the Balanced Score Card”. Another document (2004) states that:

“Some 40 individual measures exist on the Top level Business Balanced Score Card. These measures are considered the key indicators for the ‘health of the business’. Each measure has a target which reflects either agreed business goals or stretch goals to achieve improvement…. In addition, a ‘target for excellence’ that is considered to be a truly world class target which should be expected by companies operating within our field, is also shown on the Balanced Score Card for each measure.”

The appeal in the above quote to ‘a truly world class target for excellence’ is an example of how senior management views the BSC as one of the means of rendering practical its discourse on globalization. Ever since its introduction in Megacorp, the BSC has been strongly connected to both Time and PI as the KPIs related to these two management technologies have been incorporated into the BSC. We will pay particular attention to the BSC, partly because it receives so much attention in the management control literature, but also because its proponents explicitly claim that it is intended to convert talk about strategy (perhaps including strategies related to globalization) into a set of measures and targets that will produce actions and initiatives. In short, it is designed to connect discourses to practices. Before we focus on the BSC and KPIs, we explore the ways in which Megacorp articulated its concerns regarding globalization.

MEGACORP: THE DISCOURSE ON GLOBALIZATION

In this section we examine the claims made in the globalization discourse produced by Megacorp, the extent to which it connects with the wider discursive field on globalization, how Megacorp’s discourse relates to its aspirations and context as constructed by its managers, and how these managers sought to render such globalization discourses practical. We view senior managers as subjects who, in making pronouncements, author texts, and that their authoring of such a discourse is an intentional activity. As we will see, all the notions of authority identified by Said (1975/1997) are present here: initiating or inaugurating the discourse on globalization by senior management, augmenting it via additions, ownership of the discourse, and maintaining its continuity. Applying Said’s argument, managers never invent discourse; rather they repeat previous discourses but engage in an authoring activity that entails additions, deletions, and re-interpretations. Authority is also an important element in managerial discourse, so a discourse on globalization produced by the CEO has a resonance and authority fundamentally different from that attributed to the same discourse were it produced by a junior manager, because discourse constitutes managers as senior or junior, and endows senior managers with authority to be key spokespersons (Ezzamel and Willmott, 2008). Pronouncements on globalization by senior managers are never a ‘finished object’, but connect with, and also displace previous discourses.
Authors may or may not believe their own statements, and there are many degrees of fiction or truthfulness. Concerning molestation, senior managers are in an authoritative position that can make their discursive statements seem doable. We focus on how PMS, and in particular the BSC and KPIs, are intervening media by which managers aim to make their strategic discourse about globalization actionable. Senior managers have a strong desire to maintain, even enhance, their credibility in the eyes of their relevant constituencies. They have an interest in making the gap between their discourse and attendant results appear as small as possible. The BSC and individual KPIs can play a key role in reducing molestation by inculcating in organizational actors a calculative mentality, driven by targets, in the quest to convert discourse into tangible measures of achievement. Measures are not the only means by which discourses on globalization make possible specific management actions, but they are important. They are part of an approach to managing by numbers or evidence (Ezzamel, et al, 1990), even when managers at Megacorp are aware of the contingencies of the globalization discourse they produce, and of its potential molestation. Discourse, including specific measures, may be seen as part fact and part aspiration (a fiction) until it is rendered into actions susceptible to intervention through, for example, technologies of accounting.

Megacorp made reference in its annual reports as early as 1993 to how it must tune its activities to ‘global’ conditions and ‘global’ markets. In the 1993 annual report, there were 84 references to the ‘international, global world’ and the ‘economic environment’; this latter term was included in subsequent annual reports as a key part of Megacorp’s definition of globalization. Subsequent annual reports gradually increased their reference to globalization; for example the 1998 Annual Report (p. 7) suggests that the company must gain leadership in international markets and that it must be listed in the USA in order to push “globalisation and meet demands of international financial markets”. In the same report, increasing globalization of markets was identified as one of the key risks that Megacorp must manage by developing a balanced international portfolio of activities (pp. 55-56). Connection to globalization became even stronger in later reports; for example the 2002 Annual Report (p. 7) included a page entitled “Global Presence”, listing the countries where the company operates, the number of its international employees, and highlighting Megacorp’s “global knowledge networks” and its “diversity advantage”. The Report identified “Global Presence” as one of three Megacorp’s cornerstones, in addition to customer oriented innovation and sound financial management (ibid, p. 17).

Several annual reports (e.g., 2003, pp. 7-11; 106) emphasized enhancing Megacorp’s global competitiveness through expansion of operations in lower cost locations worldwide and capitalising on the multicultural background of its employees. They also emphasized the desire to reduce the risk of global foreign currency translation by globalizing company activities through acquisitions, divestment or joint ventures and optimizing its world-wide value chain. The letter to Shareholders in the 2005 Annual Report (p. 7) states that growth goals have to be set as a multiple of global economic growth and in the 2006 Report explicitly targets “growth at twice the global GDP growth rate” (p. 135). It further identifies two global trends: urbanization and demographic change from which Megacorp is said to be able to benefit, given its global portfolio of activities. The 2006 Annual Report identifies a global performance management system for staff appraisal and links the remuneration of members of the board of directors to several factors including Global Presence (ibid, p. 25). These statements emphasizing the opportunities of globalization echo the findings of Fiss and Hirsch (2005) concerning the positive treatment of globalization in company annual reports, and are also consistent with the discourse on globalization (Steger, 2005) that presents it as a win-win for all.
Other publications were produced throughout Megacorp, at the international HQ level, national HQ level, and divisional level, containing various statements about globalization. The main goal of Megacorp was stated as “worldwide leadership” across all product ranges. At the international HQ level, the CEO discourse connected most directly with globalization as an expression of corporate identity in a manner consistent with a multitude of positive external press releases whereby many companies extol the virtues of globalization (Fiss and Hirsch, 2005):

“Our global competitiveness program is designed to increase the efficiency of our services worldwide and decrease costs…. we must make our procurement more global, in large measure due to fluctuations in interest rates. Also, whether we’re talking about production, software development, engineering services or administrative functions, we have to optimize our value creation chain by expanding in those markets that exhibit the most dynamic growth, staying close to customers and to the skills of local specialists… [Megacorp] has been international right from the start. Today we utilize the opportunities offered by globalization to balance our regional business presence. Our global presence enables us to leverage the skills and strengths of employees all over the world” (CEO published interview, Megacorp internal magazine, 2004).

The above quote is an example of senior executives’ participation in a dialogue that is shaped by, but also shapes, a collective public vocabulary on globalization; an instance of repetition but also of authoring discourse. For example, the CEO’s interview makes a number of claims about the global dimensions of Megacorp. It directly connects globalization to competition of services and production, emphasizing the need to balance Megacorp’s presence across the world. It also speaks to the globalization of procurement to provide protection against fluctuations in interest rates, and thereby places the company within global money markets. These claims also connect with some of the key advantages claimed for globalization: global integration of markets, liberal movements across markets, and the promise of a win-win for all (Steger, 2005), through increased efficiency, lower costs, optimization of value creation, balancing of regional business activities, and leveraging the skills and strengths of employees. Further, the quote emphasizes the attainment of globalization via the mobilization of local knowledge and skills to stay close to local customers, so in the discourse of the CEO the ‘global’ and ‘local’ are intertwined in a manner reminiscent of the aspiration to ‘Being Local Worldwide’ (Bélanger, et al, 1999).

What of the globalization discourse of those managers immediately below the level of Megacorp’s CEO? In 1997 one of Megacorp’s Vice-CEOs stated:

“We used to be a German company doing business everywhere. Now we think of ourselves as a company with a German background in the European market doing global business. Our organization reflects that perspective in [our] decentralized decision-making. We are much flatter, and our operational divisions act as entrepreneurs. We have

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3 Our review of the academic discourse on globalization suggests that globalization is capable of admitting vastly different definitions (see Fiss and Hirsch, 2005: 32), yet having the ability to unify a discursive field that gives it its identity. Globalization is an umbrella sufficiently broad to encompass a variety of discourses produced and promoted by different groups: academia, the press, policy makers, gurus, etc. Discourse on globalization constructs a public domain in which globalization is continually debated, contested, and reshaped. Precisely how the wider discourse on globalization emerged and what macro or micro structural discontinuities gave rise to its production are interesting issues but are beyond the scope of this paper. Hence, we do not in this paper pay attention to how the public domain in which globalization is being debated came into existence, but we are rather concerned to examine which elements of Megacorp’s discourse on globalization connect to the discourse on globalization circulating in that public domain.
improved and intensified our communications, both vertically and horizontally.” (Business press)

Similarly, in 2005, Megacorp’s CEO stated in a business article: “We are a global company but we stand for German quality, reliability and high-tech competence”. In 2008, the company was referred to by a leading business magazine as “one of globalization’s greatest winners”. These quotes emphasize some of the attributes that the discourse on globalization attaches to the concept of a global organization: national identity becoming a background to a global presence rather than the defining identity of Megacorp; promoting decentralized decision making and entrepreneurship; emphasizing communication (presumably to compress time and space given the number of countries the company operates in); reliability and high-tech competency.

The attributes of a ‘global organization’ become more specific in the globalization discourse produced at the Electronic Division’s HQ level:

“Global business to me means: first, you manufacture globally, so wherever your markets are you will have a manufacturing outlet. Second, you do sales globally so you will not have a centralized organization where you would actually buy them airplane tickets and send them out centrally throughout the world. You have a global sales force there where the market is. Third – more and more [Megacorp] also has made decisions now in the last 2 or 3 years to invest heavily in R&D expenditures globally which means you do not have a centralized R&D department with lots of wise guys, lots of super-German engineers and German ingenuity is not always the blessing throughout the world, you know, especially in different markets so you need different market attitudes, you have to understand the market, the market needs, the customer needs and it’s also what we decided in [product X] actually to invest quite heavily in R&D expenditures – for example in China, for example in the US, and of course in Europe anyways, but you have your product management, your sales force, your R&D engineers in the markets plus the manufacturing in the markets. This is a true global company.” (Commercial Director, interview)

This quote articulates what ‘global’ has been constructed to mean at the level of a major division. Here, the discourse is concerned, at a broad level, with how globalization can be made practical, by identifying the steps to be taken in manufacturing, sales, and R&D. In this discourse globalization is meant to be achieved through making these three key activities responsive to local customer needs and local employee skills. Again, we witness here the argument that globalization is engineered through localization, or in “being local worldwide”, but without providing specific details how the global is enacted locally.

The discourse on globalization produced by Megacorp’s managers is not unique; rather by virtue of it being indexical to the discursive field, it is expected to bear strong similarity to that field. A company’s discourse therefore is an appropriation (repetition) of some of the elements of the discursive field. One example is the statement: ‘Think global, act local’. Given the widespread emphasis upon the customer in practitioner discourses, it should not be surprising to find that the above statement is an important discursive element that is part of the wider discursive field on globalization (e.g., Robertson, 1992: 177).

Megacorp has introduced this ‘Think global, act local’ motif worldwide and even though this discursive element was appropriated from the wider discursive field it was still ‘authored’ by its managers in the sense of being translated, adapted, interpreted and customized, so at the level of
detail it is never the same as the elements that circulate in the discursive field. For example one translation of yet another popular injunction: ‘Think customer, act customer’ introduced at ElectronUK is: “We will employ the best people in an excellent, cost effective working environment. We will be reliable partners for our customers and aspire to the highest level of logistics, service and support” (Mission Statement, undated). In contrast, in SalesUK, ‘Think customer, act customer’ meant: “Understand the needs of our customers and markets; speak the customers’ language, and deliver reliable products and solutions with world class service and support” (Mission Statement, 2004). Hence, even within MegacorpUK the same injunction exhibits variety as meanings are negotiated at sub-unit level. The process of authoring and molestation go on unabated, as after a few years of the launch of ‘Think customer, act customer’, it was subsequently reduced to ‘Think customer’ (Manager, SalesUK). The explanation offered was that it made sense to simply focus on ‘Think customer’ as ‘think customer’ will promote actions consistent with customer satisfaction. Thus, a statement such as ‘Think customer, act customer’ underwent translations at sub-unit levels, and variations and multiple authoring, rendering a unique interpretation of it problematical.

Our analysis has shown that Megacorp’s discourse on globalization is indexical to the wider discursive field, and that authoring such discourse by senior managers involved the four elements identified by Said (1975). First, there is initiation whereby senior managers are authorised to begin talking about globalization in speeches, press interview, company magazines and the financial statements. Second, augmentation such that the discourse appears as if it were the specific brand of a particular MNC or even a particular level within the same MNC. Third, there is possession of the discourse by senior managers in the form of its attribution to their own utterings, although the reception of such authoritative utterances is typically problematic. Finally, we have shown that globalization statements appear to be continuous as a process that is constantly being elaborated, sometimes stressing for example, win-win outcomes, other times underscoring the importance of integrated markets and yet other times emphasizing global supply chain or capital markets. Our analysis of molestation relies on the struggle to link discourse on globalization to the means through which such discourse is rendered practical for all concerned. While much of our subsequent discussion explores how the globalization discourses of senior managers are molested, it is important to stress that the globalization discourses of sub unit managers, shop floor operatives and others lower in the managerial hierarchy are also molested (ignored, re-framed, translated etc) throughout the organization.

**MEGACORP: RENDERING GLOBALIZATION DISCOURSE PRACTICAL?**

Consider the statement ‘Think customer, act customer’, which was wide-spread in Megacorp, incorporated into each sub-unit’s mission statement, and translated diagrammatically in Megacorp’s Process Improvement model, for example in terms of identification and fulfilment of customer requirements. Each activity that was deemed relevant to the ‘Think customer, act customer’ injunction was translated further into a number of statements stipulating steps to be followed for its enactment. For example, answering customer telephone enquiries was translated into a schema entitled ‘Dog & Bone – 5 steps to the perfect call’, that each employee was required to follow. Further, a table was designed to convert ‘Think customer, act customer’ into a numeric matrix that quantified items such as customer satisfaction survey results, mystery shopper results, random caller survey results, think customer effectiveness, leaders commitment, and percentage of staff trained. All these scores were aggregated into a numeric summary called the ‘think customer index’ that was used to monitor the extent to which each unit was successful in enacting the ‘Think customer, act customer’ ambition. This metric was published on the company’s intranet, so that each sub-unit could readily compare its performance with other sub-
Finally, the importance of enacting this discursive injunction was emphasized through articles published in various internal magazines produced by Megacorp, and also via an annual reward system for employees assessed to have excelled at enacting ‘Think customer, act customer’.

While this example sheds some light on how a particular discursive element might be made practical, we are interested in exploring the management control systems introduced by Megacorp with the aim of realizing its more general and pervasive globalization discourse. In particular, we seek to articulate how accounting technologies intervene in the process of seeking to translate globalization discourse into something doable and the context within which such intervention operates. Below, we discuss three elements of performance management systems that were central to the efforts of Megacorp’s senior managers in their quest to produce a global organization. We emphasize the role of benchmarking, the role of the BSC and finally specific indicators in making globalization practical.

**Enacting globalization: Benchmarking**

The discourse on globalization at Megacorp not only emphasized aspirations of where the company should be located in global markets, but also underscored accounts of the company’s global context and capabilities. In Megacorp’s internal publications, frequent appeals are made to attaining globalization via benchmarking its performance against leading international and national competitors. For example, an internal publication (Annual Review) produced by MegacorpUK presents its various divisions (including Electronics) as: “the only company in the world with core competencies in three key technologies...”, “the world’s largest supplier of the [X] product”, “a world leader in the [Y] industry”, and “one of the UK’s leading [manufacturers]”. In a business article, MegacorpUK’s CEO states: “the global context must be the critical driver for multinational organizations like [Megacorp].” More specifically, it is claimed that the UK Electronics Division’s “innovative and versatile technology” helps its customers “to compete globally and respond and adapt swiftly to evolving market needs” (internal document, undated). This benchmarking by the UK Division of its performance against global competitors resonates with Kristensen and Zeitlin’s (2005) observation that local units of APV connected to global ideals by comparing their performance to those of global competitors.

Similarly, the CEO of MegacorpChina emphasized:

“we must convince our Group to move more parts of the value chain to China. On a local level we have to engage in aggressive sales stimulation and cost management measures. …We must also target local customer preferences and feature requirements….it is important to establish R&D activities in China to better meet local needs… we must … step up local procurement” (internal document, 2003).

In authoring this statement, the CEO of MegacorpChina stresses the importance of localizing many of the company’s activities in an effort to expand the company’s manufacturing and engineering base, and internalise more parts of the value chain supported by cost management measures. In a further statement, this CEO notes how local Chinese competitors are capable of making speedy decisions, allowing them to react quickly to market trends. In contrast, he recognizes molestation by complaining about the time consumed in “lengthy debates on minor issues” that compromises the competitiveness of MegacorpChina and which he thought was typical of the international HQ. He warns that:
“we have to be careful that we do not copy the German ‘Abstimmkultur’ where every decision requires a consensus”, as this style leads to “protracted discussions between headquarters and the regional companies [that] also waste precious time – time that our competitors are using to beat us to market with new products and better services.”

Though sometimes emphasizing different dimensions, these various texts on globalization authored by Megacorp’s senior managers underscore the initiation of the discourse, augmenting it through the power of authoring and the attendant authority of the senior manager, their ownership of the discourse and the act of repetition that emphasizes continuity (Said, 1975/1997). As texts, these discursive statement on globalization are also speech acts (Assmann, 2006) whereby senior managers aim to produce specific effects through the use of intervening media, such as cost management and other performance measures, in the hope of making their discourse practical.

The above statements also identify risks (e.g., of protracted discussions), that are construed as being at odds with the Chinese context. Connections to local and international competition are never absent from this discourse, a discourse that increasingly links the company’s ability to improve its competitive position by improving its cost structure:

“[We must] stand up against tough foreign and local competitors. Cost competitiveness is a key to our success. Local Chinese competitors as well as some of our international competitors have a major cost advantage because they managed to create more local added value. …A major [Megacorp’s] strength is its global reach through its local presence” (CEO of MegacorpChina, internal document, 2003).

This quote benchmarks the achievements of MegacorpChina against both local Chinese and international competitors. Both the ‘global’ and the ‘local’ are depicted as necessary conditions that define Megacorp. The play of the ‘local’ against the ‘global’ is evident, a play that seeks to differentiate, yet unite, both concepts as intertwined parts of how Megacorp as a global player is to be managed.

**INSERT FIGURE 1 ABOUT HERE**

Employees were told in internal documents that it was important to follow Megacorp’s version of process management (PI) with its emphasis on KPIs and the BSC, in order for the company to be a “worldwide leader”:

“One of the fields of standardization is the definition of process milestones and key performance indicators (KPI). With the implementation of our standard processes and their KPIs we can measure quality, performance, and costs of these processes. The results of the process changes will be visible by comparing the KPIs. This shows not only if there is a positive trend, but also how far we are away from industry averages and industry best practice.” (Process Framework, 2004, see figure 1).

Thus, apart from assessing their internal progress, managers saw KPIs as the means through which they can measure how company performance compares with industry averages and best practice as their most relevant global benchmarks. This argument is presented in company internal documents in a diagram (see Figure 1) that has Megacorp’s goal at the apex (“Worldwide leadership”) with the BSC located at the third level of strategy implementation.
(“Resources and Drivers”). We have stressed how benchmarking against internal and external competitors reinforces a specific discourse of competitive globalization. We examine below the role of the BSC as an intervention between the international HQ discourse on globalization and the activities of local units.

Enacting globalization: the BSC

In manufacturing and sales the term ‘global’ was invoked by interviewees from sub-units, without prompting from the researchers, and was deployed in reference to many issues. Informants presented their local units as being part of the ‘Other’ or global parent, in relation to the firm’s ‘global’ key performance indicators (KPIs). Further, enactment of global ideals occurred in a variety of ways, for example in the quest by sub-units to obtain parts through corporate global purchasing, in connection to competition, or in reference to their markets. While sub-unit managers were requested to procure their materials from a list of international suppliers sanctioned by HQ, the more sub-units followed such a procedure, the less the extent of molestation as achievements came closer to the discourse on the globalization of procurement. Yet, in some cases sub-units negotiated with the HQ and were able to use local suppliers not sanctioned by HQ, thereby actively modifying the globalization discourse of HQ.

This discussion shows how sub-unit actors, in consuming senior managers’ discourse on globalization, interpret, redefine, and customize that discourse and thereby author their own version of globalization. Their production of alternative discourses may partly displace the globalization discourse disseminated by senior managers. More importantly, just like the globalization discourse produced by managers at the international HQ, the discourses offered by managers at national or sub-unit levels are produced from a local vantage point. All these locales are spaces in which the ‘global’ is imagined (Robertson, 1992) and where sub-unit managers discursively enact the global. Further, sub-units enact globalization through their interaction with the BSC and KPIs, as measures that translate the discourse into specific accounting targets.

Senior managers in Megacorp devised several systems and processes to push a globalization initiative throughout the company. We have argued that the BSC and KPIs have the potential to act as intervening media, the carriers of senior management’s aspirations concerning globalization, and as a means of translating global vision into seemingly concrete and precise targets of performance across time and space. However, the success with which the BSC and KPIs can deliver on this role depends largely on the extent of molestation through the interaction of sub-unit staff with these technologies.

The Electronics Division’s international HQ was introduced to the BSC by a senior manager, who came across some of Kaplan and Norton’s articles in the mid 1990s:

“I read an article from Kaplan and I found it very attractive, so I had an idea sort of to monitor the whole business via the four sectors [perspectives], and found it also very attractive. So run through the process that leads from starting with the vision and the strategy and go into the measurements and the actions, and this was really interesting for me.” (Interview)

This manager then sought the help of a local consulting business. With this support, working groups were formed within the Electronics Division to customize a BSC for each product range:
“The Balanced Scorecard is a central element to achieve strategic alignment and consistency. It is a management tool and discipline for achieving progress towards short-term objectives as well as towards longer-term strategic goals” (Internal document, August 1999).

This 1999 document contained diagrams which inscribed the link between vision and the BSC, progressing from vision/mission, through strategic themes, through the four quadrants: from growth (innovation) to internal processes, to market, to finance. Each of the first three quadrants of the BSC was broken down into more specific themes; for example the growth/innovation quadrant had three themes: invest in people; communication; and employee motivation, and internal processes were broken down into: cost leadership; world class purchasing; and time to market. Each quadrant was given further specificity by being populated with detailed KPIs. For example under employee motivation the following KPIs were introduced: staff dialogue; suggestion scheme; absenteeism; and management feedback. The financial quadrant had EBIT, EVA, asset management, and turnover as its detailed KPIs. The aim of this translation of global discourse and strategic vision into more detailed KPIs was to minimize molestation by bridging the gap between strategic discourse and practice as reflected in measurable achievements. In other words, KPIs were forged as the operational counterparts of the globalization discourse, the tools through which the broad globalization vision was to be translated into more concrete, time-bound targets of performance against which actual progress towards this vision can be assessed.

As Miller and O’Leary (1990) note, making accounting practical is not just about the managerial use of particular technologies like the BSC and KPIs, but it is also about creating categories such as absenteeism, cost leadership, communication and so on that can then be linked to a concern with globalization, such as win-win and promoting global integration of markets. The quadrants of the BSC create global categories that can be expanded to encourage managers to think and act in terms of action plans and initiatives that can be authored as concerned with the global, understood as being driven by markets and technology.

The development of a BSC for the Electronics Division is summarised in an undated document consisting of several sections: reasons for introducing the BSC; directions/orientations of the BSC; function and content of the BSC; Divisional drilling down of BSC measures; and future perspectives on the BSC. That document stressed the perceived need to align sub-unit activities and results with those of the visions of Megacorp and the Electronics Division. For example:

“[The] starting point of the direction/orientation of the [Electronics Division] balanced scorecard is the [Megacorp] model (e.g., general principle), at which the [Electronics Division] vision is oriented” (Undated internal document: 7).

**INSERT FIGURE 2 ABOUT HERE**

Given the global focus of the vision of the Electronics Division, as noted earlier, the senior managers who authored the internal document saw in the BSC a means through which their global aspirations could be achieved. The BSC is a model to which the Division’s global vision is connected. Figure 2 summarises the general perspective. This intention to use accounting technologies as an important means of rendering globalization discourse practical is further reinforced through the Divisions’ focus on benchmarking their profitability targets against global competitors in relevant markets: “To conquer profitably market position No. 1 or No. 2 worldwide in the relevant markets” (ibid: 16).
Despite this drive for a ‘globalizing’ BSC within Megacorp, the attitude of Megacorp’s HQ towards BSC adoption by sub-units seems to have been relaxed. Asked if Megacorp required all its business units to adopt the BSC, one senior manager, Electronics Division HQ, said:

“No, what you do from corporate level or from group level is [make] recommendations. That’s quite clear. But it is not necessary that operating units use all the things here, but they have seen that in the other business units they’re pretty successful by using this kind of toolbox [BSC]. And therefore they’re using the toolbox, for example if you take a look in [Electronics] nine of ten group divisions use the balanced scorecard for steering their own business... It depends on how successful you are. If you have a division that is really successful …..then they would not be pressurized to use it.” (Interview)

This approach may explain the varying levels of BSC uptake across the units we studied. The BSC has been introduced, and seemed to be used evangelically in ElectronUK from the level of the plant GM to the middle management level, with an ongoing process of adaptation, translation and authoring. We were offered examples of the extent to which sub-units can resist some global measures by refusing to embrace them on the grounds that they do not make sense in the UK context. Specifically, ElectronUK initially introduced, but quickly abandoned, two KPIs advocated by Megacorp on the grounds that they were inappropriate in the UK, demonstrating its ability to renegotiate the types of KPIs to be used in its BSC. Further, ElectronUK adapted and incorporated some KPIs from the European Quality Framework EFQM (an initiative discouraged by Megacorp) into its BSC.

In contrast, in SalesUK the BSC was introduced, abandoned by a new general manager, re-introduced and then abandoned by his replacement. The attitude taken by SalesUK towards the BSC contrasts to the HQ of MegacorpUK which actively promoted the use of the BSC as a means of reducing molestation by bridging the gap between strategic discourse and practice:

“the Balanced Scorecard ..... helps organisations translate strategy into operational objectives that drive both behaviour and performance. [MegacorpUK] uses the Balanced Scorecard model to help businesses balance priorities and measure performance ..... The model suggests that improvements in these critical fields will lead to increased profits – the ultimate measure of success or failure” (internal document, 2002, MegacorpUK).

It is clear from the above quote that the senior management of MegacorpUK constituted the BSC as a technology that has the ability to bring to life their globalization discourse; one that translates strategy into ‘operational objectives’ that would then ‘drive behaviour and performance’ by, for example, leading to ‘increased profits’. In this and subsequent documents, MegacorpUK cites examples of how the combined use of the BSC and the EFQM models to track areas of improvement has led to better results (internal document, 2003). Yet, as suggested above, the BSC is not consistently embraced in SalesUK.

The BSC has not been introduced in ElectronChina, because of the desire to “keep it simple” (Finance Manager, ElectronChina). It was stated that ElectronChina has been expanding significantly during the period of our study and its senior management were of the view that the plant was doing well enough to warrant using only a few, simple measures. In SalesChina, the uptake of the BSC seemed rather mixed: some middle managers we interviewed did not seem to know of it, with their immediate boss claiming that he has a BSC but refusing to talk about it because “it is a company secret”. Yet others (e.g., the HR section of SalesChina) spoke of their
regular use of the BSC and provided examples of specific KPIs in their individual BSCs and how achievement against these KPIs impacted their bonuses and appraisals.

We have conceptualized the BSC as a disciplinary discursive practice, an inscribed accounting technology that has the potential to govern the employees of Megacorp and align their activities with the globalizing ambitions of its senior managers. As part of a programme of governance (Miller and, 1990), the BSC offers the potential to render the diverse activities of the company’s business units into arenas susceptible to management intervention. Images of the global, promoted through broad discursive pronouncements, are converted into something that senior managers thought is specific and doable in the form of quantified KPIs, whereby employees could be rendered amenable to intervention, calculation, classification, homogenisation, and ordering at various hierarchical levels. Whenever the BSC was used in Megacorp’s sub-units, senior management appraised subordinate performance by comparing actual achievements against the specific KPI targets on the subordinate’s BSC, and such comparisons impacted the level of the subordinate’s bonus and influenced his/her future career progression. Similar procedures were followed in appraisals for operators and supervisors.

It was thought that these monitoring procedures will reduce molestation by bringing actual results closer to the intended effects of managerial globalization discourse. However, this potential was never likely to be fully achieved, because while use of the BSC was mandated formally by the international HQ of Megacorp across all business units, as we have seen in practice it was not insisted upon. Moreover, those units that introduced the BSC inevitably engaged in a process of authoring their own versions of the BSC. Thus, not only was the BSC not used by some sub-units, but even those who made use of it moulded and interpreted the BSC through various translations into something that sub-unit managers argue reflected their most immediate concerns and their most relevant comparators. These examples of either not embracing the BSC or translating it to reflect sub-unit concerns are instances of molestation. The resulting BSC, or lack of it, is somewhat removed from the global discourse and ambitions of senior HQ executives. Sub-unit authorship of the BSC is thus a form of molestation. Hence, rather than witness homogeneity of BSC practices across the local units we studied, we encountered diversity although often with the frame of the global concerns of senior management. The inevitability of sub-unit diversity as the outcome of globalizing machinations is another way of saying that the global, if it exists at all, exists as a construction by the local (Robertson, 1992).

### Enacting globalization: KPIs

Thus far, we have examined how sub-units enact globalization discourse through benchmarking and the BSC. Whilst this has yielded insight and perspective, one limitation of this level of analysis is that management systems can be either too abstract or too distant from the concerns and focus of lower management levels. For example, a middle manager might be fully aware of the importance of the BSC as a corporate initiative, yet pressure to deliver on individual KPIs may lead this manager to focus on them. Similarly, an operator may have heard of a BSC as a system, but without understanding how it might impact his/her day-to-day activities. To gain a fuller perspective on the extent to which actors at sub-unit levels enact globalization discourse, we now turn our attention to individual ‘global’ KPIs that are drilled down to locations spatially distant from international HQ. We examine both a financial KPI (EBIT) and a non-financial KPI (suggestions) in order to explore the extent to which enacting globalization discourse is in part a function of the type of KPI being used.
Enacting KPIs – Earnings Before Interest and Tax (EBIT):

EBIT is a key measure of financial performance across all units in Megacorp. Meeting EBIT targets is one of the fundamental measures used to determine cash bonuses at the end of each financial year. One senior manager of ElectronUK said in an interview: “we’re all profit centres so we have EBIT here, EBIT here, EBIT here”. Another manager (SalesUK) had this exchange with the researchers:

“Q: Which measure is important to you, EVA or EBIT?
A: It depends I think on the phase of the moon, whether or not we decide that EVA is more important or EBIT is more important.
Q: Which phase of the moon decides it is EBIT?
A: Well I think it’s the moon over [a German city].
Q: Right. OK, so it’s International HQ?
A: Yes.

The GM of ElectronChina indicated in an interview that EBIT is the most important KPI for his plant and for himself: “if our EBIT is less than predicted in the budget then we have a problem, sure.” In reinforcing his views that all measures, be they financial or operational, are ultimately reflected in EBIT, this manager stated: “everything comes together in the EBIT, no matter what you do”. Such repeated accounts of the importance of EBIT can be seen as a reflection of the globalization discourse of senior managers which emphasize optimizing Megacorp’s global value chain, low cost operations, cost management, growth targets set at twice the global GDP, high profitability, global competitiveness, and meeting the demands of international financial markets via financial performance.

The Finance Manager, ElectronUK, also emphasized how, despite the lack of plant control over revenues (because their products were transferred to SalesUK at works cost + between 5% and 10% of cost), meeting EBIT targets was the major focus of their activities as demanded by their international and national HQs:

“As a factory the way that our business is set up we have no influence in driving volume. So therefore however we don’t get a dispensation to sort of say ‘well, if the volume doesn’t come you can reduce your EBIT.’ ” (Interview)

Because the management of ElectronUK felt that they could not influence revenues, EBIT targets were assessed as achievable only through cost reductions. The insistence of the international HQ that local plants must aim to achieve high EBIT targets can be seen both as an instance of a globalizing profit imperative centred on EBIT and as a benchmark against global competitors.

Some interviewees implied that the definition of EBIT may have become taken as given. A senior manager, ElectronChina, indicated that the rules stipulated by HQ for measuring EBIT gave little scope for variations across different local units: “everything is based on US GAAP”. Plant managers were typically unaware of how investments were treated and of their impact on EBIT, as well as the impact on product mix changes that were often determined by sales and decisions taken at HQ. This assumed uniformity of the measure seemed to entice some managers to think of EBIT as something unambiguously defined: “they [staff] know where EBIT comes from” (senior manager, SalesChina). To the extent that KPIs such as EBIT acquire a ‘universal’ definition and means of measurement that are invariant across all Megacorp’s sub-units, it would be tempting to suggest that the scope of molestation is reduced significantly.
However, while accounting specialists may promote a particular way of calculating EBIT, there is always scope for sub-unit diversity (molestation) in calculating and interpreting EBIT. In particular, the calculation of EBIT for any one plant (e.g., the figure of works cost used to calculate the mark-up for the transfer price received by the UK plant) was dependent upon the results achieved by other plants within Megacorp. While specific EBIT targets are set for each unit within Megacorp, with some scope for variation (between 5% and 10%) depending on how Megacorp models different local contexts, each unit then has to decide what specific actions (e.g., growth, productivity) would best achieve its EBIT target. Such a process is inevitably an exercise in which a sub-unit constructs an understanding of its own situation in relation to HQ’s benchmarks. For example, the GM, ElectronUK, alluded to the process of interpretation concerning how an EBIT target may be achieved:

“You must get this growth, you must get this EBIT, how we do that in turn is up to us. Or I interpret that for us [it has] to be productivity, but if I was in the sales division I’d interpret it as growth.”

Of course the target level of EBIT could be the same across all sub-units of an MNC, but different sub-units might pull different levers in trying to reach the target, which could then affect other performance measures, such as productivity or growth. Managers consider alternative means of reaching a particular target. One such set of scenarios is offered by a finance manager, ElectronUK, who explained how different ways of calculating revenues and costs can be pursued in order to meet the EBIT target set for his sub-unit. Thus, even if manuals (or US GAAP) were thought to unambiguously define what enters into the calculation of EBIT, each sub-unit has a different perception of what measures have to be managed to achieve the target:

“We said, right, even though EBIT is a top level KPI, also one of our top level KPIs should be volume. So how do you now want to measure that? Do you want to measure that in terms of sales and pieces that you’ve received against the budget which really you’ve got sort of influence over, or do you want to measure volume in terms of accuracy of orders against forecast, percentage deviation, that sort of thing? Because we obviously have quite a ‘mix of orders’ problem, so that’s one thing. You look at it on the other hand and say ‘right, the other side are costs so therefore what can we do to influence the cost side of it’. Should we set purchase targets, cost reduction and measure that on a monthly basis against cost? In addition to that there are overheads. Should we now set a target for overhead cost reduction even though you may identify a certain group of overheads which you would apply that logic to because some are fixed, some are variable? The other thing is then looking at our global business productivity, design-to-cost, do we set a target? We speak to design and say, ‘what are you envisaging changing this year, should we be looking to, for example, make certain product lines cheaper through re-design?’ And the other part is assets, so therefore what can we do? So we then sit down and say, ‘right, what are the integral parts of business assets?’ So we look at things like inventories, debtors, liabilities and fixed assets.” (Finance Manager, ElectronUK)

The above quote shows how in making sense of and engaging with measures, such as EBIT, imposed by a company’s HQ, sub-unit managers construct a discourse that translates the HQ measure to the sub-unit level, by interpreting their operational context, identifying financial and design parameters, and assessing the scope for action that could be pursued. In this particular case, parameters and cognitions of volume, overheads, and design-to-cost are brought to bear on how to manage EBIT. The above manager authors his discourse on EBIT, and managers in other
sub-units may engage in alternative authoring by considering other questions they deem more pertinent, or even if they raise the same issues they may express different preferences for addressing them. These variations in interpretation are likely to result in some degree of molestation between the aspired levels and the actual achievements of even such seemingly universal KPIs as EBIT. Hence, enacting HQ discourse at sub-unit level triggers an exercise in authoring by sub-unit managers which leads to the emergence of a set of alternative discourses that aim to make sense of the HQ discourse and customize it. The elements of sub-unit discourses are likely to be sub-unit specific, such as the technology used, its cost structure, its design parameters, its revenue generating opportunities, and so on. And the mobilization of such sub-unit discourse is simultaneously an exercise in complying as much as possible with HQ KPIs and in introducing some measure of molestation via appeals to special ‘circumstances’.

Further, additional factors, such as foreign currency translations, can render the understanding of EBIT ambiguous:

“Q: So how ambiguous can a measure become?
A: Very. I mean the most simple measure of all is gross margin, but if I put gross margin up as at today and compare it with gross margin about two years ago, we sell primarily in Sterling and buy in Euros, the Euro …..compared to six months ago we were about one forty-nine, and it’s about one forty-three today. Even if we were selling to the same customers, the same products, the same values our costs are now a lot higher, the margin’s come down.” (Financial Controller, SalesUK).

Given that sub-units could pursue different procedures to manage the effect of foreign currency translations on their EBIT, diversity is likely to occur in how sub-units enact HQ measures. The discourse that sub-unit managers construct in order to explain to HQ why sub-unit performance is below par casts doubt on the clarity and controllability of EBIT. Sub-unit managers in the UK were able to author discourses that presented failure to meet targets as the outcome of the unfavourable fluctuations in the price of the Euro compared to Sterling.

Authoring a scenario of what activities have to be focused on to achieve an EBIT target is one thing, but translating this to shop floor level is quite another, as the GM, ElectronUK, suggested: “how do I translate a ten percent EBIT growth to someone on the shop floor whose talking about labour productivity or first past yield.” Similarly, a plant supervisor (team leader) points out:

“They [shop floor] don’t understand EBIT, [so] all we do in the team brief is ‘this is the target for the year and we’re aiming to meet the two point five million’. So we’ve got the graph and we’ve got the target line and really they understand that aspect of it, not how it all comes together and how it’s all worked out commercially. Because I mean I’ll be honest with you, I don’t understand it”.

These statements by the GM and the team leader are significant for two reasons. First, they show how shop floor operators are far removed from the HQ discourse on globalization. Their day-to-day concern is with dealing with local, non-financial KPIs, such as labour productivity or first past yield, on which their performance is assessed and to which they can relate. Thus, for those working at lower levels of the organization, HQ strategic discourse is conspicuously absent, as the connection forged between globalization discourse and the ability of KPIs to motivate action is one that is assumed at higher levels. Second, the GM’s and team leader’s statements also point to one source of molestation: the difficulty of translating an increase in EBIT to the shop floor.
This is not necessarily about overt resistance to the imposition of EBIT targets, although this would increase molestation, but indicates the molestation of a discourse due to different perspectives. Thus, while appearing to make every possible effort to nullify molestation, diversity in local practices, local managers’ cognition and interests succeed in producing it.

**Enacting KPIs – Suggestions:**

We now consider suggestions as a non-financial KPI. Every location we visited within Megacorp had a KPI based on suggestions made by employees. This KPI was variously identified as linking to the BSC quadrant of innovation and growth or as a measure of internal business processes. In contrast to EBIT, at first sight it may seem difficult to link directly this type of KPI to senior management discourse on globalization. However, global growth is part of the discourse that emphasizes the notion that growth benefits all, and that globalization is driven by technology. Moreover, Megacorp’s commitment to “the skills of local specialists” (see earlier), offers a link between suggestions KPIs and senior executive discourse on globalization. Certainly, our informants said that suggestions have the potential to produce significant savings, thereby reducing cost levels and enhancing profitability and growth. They also stated that having a suggestions scheme motivates employees more strongly to be loyal to the company through feelings of ownership. These arguments connect with senior management’s concern with securing high profitability, strengthening performance in international financial markets, and improving corporate global competitiveness.

In this part, we trace out the authoring and molestation of a global requirement for a measure of suggestions. We concentrate mainly on ElectronUK because of the long history of this KPI at that site. The HR Manager of ElectronUK introduced the first suggestions scheme in 1988 which, he claimed, was “entirely developed here, it was local” because his boss said “we should have a suggestions scheme”. The suggestions scheme sought a “few big suggestions [about ten per year] that saved a lot of money and you pay out big awards for those few” (HR Manager). However, financial savings turned out not to be large and the scheme was criticized for being “antiquated” and ineffective. Molestation, in terms of lack of support from senior plant management and poor promotion meant that after its introduction this scheme was “drifting along”.

A new initiative in 1997 coincided with the return of this HR Manager from SalesUK, and the arrival of a new Operations Manager who encouraged factory staff to make suggestions to improve manufacturing processes. This, the HR Manager said, led to a rise in suggestions from about ten to about 100 per year. In 1999 the new Managing Director of ElectronUK requested a workable suggestion scheme, “because they have one at international HQ”. Authority (Said, 1997) seems evident in the development of this suggestion scheme at two levels. First, the suggestions scheme seems to owe its existence in the first instance to the authority of the new MD. Second, as we will see below, there is the authority of the HR Manager as an author of a scheme that drew on other schemes. The HR Manager stated:

> “[I] went over to Germany then and benchmarked it [suggestions scheme] and saw it was good. We were also members of …the National Association of Suggestion Schemes, and we picked up a few ideas from there.”

The emerging scheme combined the system at Megacorp’s HQ and the UK system, but the sub-unit context loomed large in customization: “the German system was very good in a lot of ways but they still went for big awards... we were always going to have to develop internally to suit our own needs” (HR Manager, ElectronUK). The senior management of ElectonUK
decided that the design of the new suggestion scheme must be informed by the site’s own previous experience, and avoid the pitfalls of the previous scheme. In particular, it was felt that a scheme that kept people waiting for decisions on suggestions, and that finance people took a long time to sign off the big cheques, “killed the old scheme”. Thus:

“What we needed was to ensure that we had rapid turnover of suggestions; that meant we had to do two things. One, we had to develop the responsibility right down to the lowest level in the organization [ElectronUK], so basically everybody who supervises people evaluates the suggestions of their people. And in addition, because we decided to make awards only between ten and fifty pounds it meant we didn’t need any big signatures.”

(HR Manager, ElectronUK)

A new suggestions scheme was introduced in October 2000. A newly appointed MD was a big supporter of suggestion schemes. Supervisors and managers were evaluated on the basis of how many suggestions were implemented in their teams, and this became one of the KPIs on their BSCs. The enactment of the globalization discourse by ElectronUK entailed several strategies which, as we have seen, included borrowing, but also authoring ideas in line with what actors understood as their specific context. The suggestions scheme at ElectronUK was part of a larger scheme, called ‘Ideas Unlimited’, which included a Continuous Improvement Process (CIP) and Ideas Mobile. The naming of the suggestions scheme ‘Ideas Mobile’ was “pinched with pride”, the HR Manager suggested, from a MegacorpUK presentation. Once developed, ElectronUK’s Ideas Mobile continued to be the subject of authoring through adaptations, revisions, and use of various measures. Thus, initially the scheme had “loads of measures, I mean they were coming out of our ears”, but through a six-month refinement process three key inscriptions emerged: “the implementation chart, the savings chart, and the league table of managers by how many [suggestions] they have implemented per head.”

(Manager, ElectronUK).

ElectronUK won trophies in 2002 and 2003 for best suggestions scheme improvements within Megacorp. The ‘pinched with pride’ metaphor is the way in which authoring was understood at Electron UK:

“What we have chosen to do at the end of the day is to measure it [suggestions] the same way that [Megacorp HQ] measures their suggestions schemes on the basis that you have internal comparators. But if we thought there was a more appropriate measure we would have used it, as it happens on a pinched with pride basis [because] they’ve been doing it for a long time. Therefore it’s a pretty good likelihood that theirs is the right way of doing it, but everything I do basically is pinched from somewhere; it’s just a case of the mix of how you actually decide.”

(HR Manager, ElectronUK)

While clearly suggesting repetition, the ‘pinched with pride’ approach entails selection, simultaneous inclusion and exclusion as well as customization. For example, as the quote suggests, deciding on the mix was rendered intelligible at a sub-unit level. The ElectronUK HR manager stated:

“It’s not to say that our design fits somebody else, because it depends on your culture and the make-up of your business and your objectives and what you’re looking to do….. None of this is anything particularly new at the end of the day, it’s just a case of how you actually apply it in your own environment, but basically all these are external measures that have been around for ages.”
The above quote reinforces Said’s (1975/1997) ideas about authorship: it is a process of repetition upon repetition; yet no repetition fully reproduces what came before it because of the intervention of the author(s). A measure of the authoring of ElectronUK’s suggestions scheme is that it is dubbed as “a little and often scheme”, meaning little awards and frequent small saving suggestions, compared to the scheme in a sister plant which was described as ‘big awards for big savings suggestions’ (Manager, ElectronUK). Just as we have noted in the case of EBIT, molestation was evident in the different understandings by different sub-unit actors of what a suggestion meant and the impact of this understanding on their actions. One finance manager, ElectronUK, stated: ‘what you may call a suggestion could be just anything.’, hence varying discourses of constructing the meaning of suggestions are inevitably likely to be authored by different sub-unit managers.

In ElectronChina, a suggestions scheme was being introduced in July 2005 under the name 3i on the basis that the international HQ wanted to see such a scheme at the plant. Once it was introduced, targets of implementable suggestions per employee were set, and suggestions were submitted to the relevant manager for approval and reward. KPI targets in 3i were entered onto the relevant BSC and compared against actual achievements. Several interviewees at ElectronChina listed the 3i KPI target as one of the most important three to four measures they felt they must manage: ‘In one year, one person must have one [3i KPI] – at least one idea’ (Group Leader, P1 Department). By the time our interviews were concluded, the annual target for 3i had increased from half a suggestion to four per employee.

This suggestions scheme was designed along the broad principles of the suggestions schemes promoted within Megacorp, but it was left to ElectronChina to decide what was deemed to be appropriate targets. Diversity was present in determining the level of the KPI target, as well as such issues as the amount of reward for successful suggestions and what counts as a suggestion. As we have shown in the case of ElectronUK, in China local knowledge is important in constructing 3i KPIs:

“I am very interested to have good 3is. For me it is a big part. Here in China we started already to push this issue because it makes sense. Because sometimes the workers put together something [new]. They have a better knowledge [of] what they do and what they can do, and when you have to listen carefully then you can sometimes assemble in a better way” (Project Manager, ElectronChina).

In this section we have explored sub-unit enactment of globalization discourse by focusing upon two KPIs: EBIT and suggestions. We have examined the extent to which it was possible to forge direct or indirect connections between managerial discourses of globalization and the means of rendering such discourse practical via its translation into specific KPIs. These identify objects to be acted on. Further, by examining this level of detail, we have identified attempts by sub-unit actors (middle management and the workforce) to enact HQ’s globalization discourse. The authoring of discourses at lower-levels is informed by specific sub-unit knowledge and various manifestations of molestation. We have also noted how there is an ‘absence’ of HQ’s discourse on globalization because at the level of team leaders and operators they are understandably concerned with the day-to-day KPIs, such as quality or capacity utilisation, on which their performance is evaluated. If detailed KPIs are effective in translating senior management’s vision on globalization, and if monitoring and rewarding schemes enhance employee compliance with KPIs through the exercise of management authority as authors of the globalization discourse, then the scope for molestation is reduced significantly because senior management’s
discourse on globalization becomes embedded in KPIs and reward structures. The lack of an explicit discourse on globalization at operational and subunit levels is not an indication that concerns about globalization are absent. Concerns about globalization can instead be incorporated within performance measures and a concern with benchmarking, and the measures and benchmarking can thereby impact how employees act.

DISCUSSION AND CONCLUSIONS

We have examined how management systems, in particular the BSC, and individual KPIs, function as intermediaries intended to convert the discourses of senior managers into something practical. Accounting technologies like the BSC offer the promise of converting strategy into a series of actionable initiatives. Although we did not have the opportunity to observe managers in action, we offer a rich and detailed examination of how managers talk about and make sense of concepts and ideas, which is an important element of seeking to make discourse practical. The ideas of competition, benchmarking, cost management, profit, motivation or innovation can be given shape in terms, for example, of expanding production, shifting product mix, reassigning sales and encouraging worker engagement. But as our analysis has demonstrated, translation of corporate ideas about globalization to local levels through the use of accounting technologies can significantly impact the definitions of these techniques and the ways in which performance targets can be achieved.

In order to better understand the extent to which globalization discourse can be made practical, we first explored how at an MNC such discourse was produced, authored, and connected to the wider discursive field. We then analyzed in detail how global ideas were enacted at subunit levels. Our study therefore gives voice, not only to the discursive pronouncements of senior managers but also importantly to subunit actors. It goes beyond the common sense view that senior managers propose and junior managers respond. Thus, this paper adds to the extant accounting literature by providing a systematic and detailed examination of the largely neglected interconnection between processes and decisions of globalization and accounting. Our approach has been to depart from the research that treats the global and the local as a duality that either underscores homogeneity or diversity (Barrett et al, 2005; Cruz et al, 2011).

We have explored how, in the context of Megacorp, corporate discourse on globalization was produced and promoted by the senior managers of an MNC, how such discourse can be usefully understood if related to Megacorp’s context (itself a discursive construction) but also how it connects to the wider discursive field on globalization. We have also suggested, following Said (1975/1997), that every discourse involves authorship which may entail significant additions/deletions, but also recoding, organization, translation and interpretation, in short, molestation. In written texts, a manager has the opportunity to ‘present his own contribution as something novel’ (Assmann, 2006: 117), for example as his own version of globalization that retains strong connections with key elements circulating in the wider discursive field.

INSERT TABLE 1 ABOUT HERE

At a broad level of analysis, we examined a number of discursive statements spoken or inscribed by senior Megacorp’s executives as to what globalization entails for them, and how this connects with their aspirations for Megacorp to function as a global organization. Consistent with the findings of Fiss and Hirsch (2005), globalization was presented as inevitable and consistently
received favourable press in Megacorp’s annual reports and internal documents. The virtues of globalization connected most directly with the advantages claimed by its advocates, in particular being credited with global market integration, driven by the force of the market, and offering a win-win scenario for all corporate employees (Steger, 2005). Terms such as ‘world-wide leadership’ and ‘global competitiveness’ were emphasized at the highest executive levels of Megacorp, but even here, some relatively specific connections were made between what we may term ‘globalizing technologies’ and the re-shaping of Megacorp’s activities. We have explored several discourses connected to globalization made at four levels of Megacorp’s hierarchy: corporate CEO/Vice CEOs; Divisional CEOs, National CEOs, and sub-unit GMs. Table 1 summarizes these discourses. In focusing on a specific managerial position at each level in the hierarchy of Megacorp we do not wish to imply that the production of globalization discourse is necessarily restricted to these individuals, but we do so in order to provide some depth and detail to our analysis.

At the highest level in Megacorp, that of the CEO and Vice-CEOs, a number of themes were emphasized in their discourse: being globally competitive; securing global procurement; optimizing the value chain; achieving efficiency of service and cutting costs; customer focus; leveraging skills world-wide; intensifying and improving communication within the MNC; and unleashing entrepreneurial spirit among employees. The discourse is typically aspirational with very broad themes, and connects to what Kristensen and Zeitlin (2005) refer to the global discourses of management gurus, business schools and business media.

At the level of the Electronics Division of Megacorp, Table 1 shows that senior divisional management emphasized issues relating to market expansion and differentiation; global sales, detailed attention to customers; and investment and development of R&D. Several of these themes connect strongly with accounting as a technology that not only converts discursive aspirations into performance targets, but also operates as a means of achieving cost reduction, value-chain optimization, efficient global procurement and enhancing corporate competitiveness. Thus, the intervention of accounting is not restricted to a contribution to the vocabulary of the globalization discourse through the use of such terms as ‘value chain’, ‘efficiency’, ‘cutting costs’, ‘cost management’, ‘investment in R&D’ and so on, but goes beyond that in offering technologies (e.g. the BSC, KPIs) that hold the promise of being performative by rendering such discursive utterings actionable. Many, if not all, of these themes are not unique to Megacorp, as similar themes can be found in the discourse of senior managers of other MNCs, hence our underscoring of repetition in discourse following Said (1975/1997). However, all discourses are authored, so we should expect variation in the way all or some of these themes have been interpreted, coded, translated and operationalized elsewhere.

At the national HQ level the discourse of globalization becomes more strongly connected to the regional and national discursive field. Naturally, the discourses of the MNC CEO and Vice CEOs have a strong impact on the discourse produced by the national CEO, but the latter is also influenced by the national CEO’s perceptions of the national discursive field as well as regional discourses. Such a national CEO discourse is also strongly impacted by the knowledge base within the sub-units that form the national company, although there are always possibilities for knowledge transfers within the global MNC. Thus in MegacorpChina, the BSC is embedded in beliefs about growth of the market, nature of local competitors and capacities of the workforce.

Finally, at the level of the sub-unit GM the globalization discourse becomes a combination of the discourses of the above three higher levels of the hierarchy, but is also strongly moderated by
local assessments of the sub-unit’s strengths and opportunities and its knowledge and skill base. Thus, the discourse becomes sub-unit specific.

In sum, we provide examples that demonstrate how more specific globalization themes were present in several discursive statements made by Megacorp’s managers. In particular, we provided two examples relating to the injunctions ‘Think global, act local’ and ‘Think customer, act customer’. In both these injunctions, many elements were borrowed from the wider discursive field and were not unique to Megacorp’s discourse. Notwithstanding this repetition, we have also drawn attention to the authoring activity that goes on, in the sense of interpretation, recoding, revising (through addition or exclusion of detailed elements) and customizing, so that at different local units engagement with global injunctions engenders both homogeneity and diversity. We have made some specific reference to the form in which this occurs, including the identification of which financial parameters were thought best for sub-units to engage with and the types of metrics developed for that purpose. Senior management discourse on globalization was connected, through a chain of rationales, systems, perspectives and goals, to individual KPIs (as shown in Figure 2). The suggestions and EBIT KPIs were connected directly or indirectly to the discursive statements concerning optimization of the company’s global value chain, managing and reducing costs, increasing sales, achieving higher profits, enhancing the company’s global competitiveness, and meeting the demands of international financial markets.

At the most general level, each statement is structured by an assumed distinction between thinking and acting. For in each injunction, the first half emphasizes ‘thinking’ and the second half underscores ‘acting’. Thinking entails, among other things, a process of interpretation, recoding, and selection, as employees seek to make sense of global injunctions, while acting involves converting thought into outcomes. Both these parts are likely to produce some measure of homogeneity, to the extent that thinking and acting connect with the global ideas pronounced by HQ. They promote an element of convergence to the extent that detailed translations and engagement at local levels connect to the discursive aspirations of senior managers. And both injunctions also generate some measure of diversity, given the different processes of translation involved across local levels. The greater the level of such diversity the greater is the molestation (Said, 1975/1997).

**INSERT TABLE 2 ABOUT HERE**

We have been able to trace a number of sources of molestation which vary across the organizational levels of an MNC (Table 2). At the level of an MNC’s CEO or its Vice CEOs, one source of molestation is the *intentional* ritualistic part of their discourse on globalization. Such intentionality is not taken here as an indication of senior executive’s dishonesty; rather we understand it as part of an attempt by them for example, to inject greater optimism among the employees of the MNC and to indicate their aspirations for the company. It is a kind of senior managerial complicity authored for ‘good’ reasons. Further, *unintended* molestation could arise because of the CEO or Vice CEOs’ inadequate knowledge of the contexts of the MNC, particularly those of geographically or hierarchically distant units within the MNC (Goodall and Roberts, 2003). As we move to the level of the divisional CEOs molestation occurs in the process of translating higher level discourses of globalization to the level of the division, including the specification of KPIs and the division’s BSC, in addition to the impact of the division’s own limitations and specific attributes. At the level of the national CEOs, the same

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4 Note that human agency can play an important role as a source of molestation, but, as this is likely to be common across organizational levels, we do not discuss it further.
argument applies except that here we have national specific characteristics, such as geographical location, culture, etc., as an additional source of molestation.

In the case of sub-units, we identify three levels of molestation. At the level of the sub-unit’s GM/senior management team, regional and national contexts and the sub-unit’s specific attributes can produce molestation as they impact the translation of discourses of globalization. A further source of molestation is non-compliance with MNC’s control systems, such as the BSC. As we move to middle management and the shop floor, further molestations can occur because of what is ‘lost’ in the translation of higher level discourse to these lower levels, lower level management cognition of higher-level discourses, middle management and shop floor specific contexts, and acts of resistance to initiatives introduced and targets set by senior management. It is also at these levels that interpretation and adaptation/change of specific KPIs typically take place. We must stress that the scenarios we offer of the key themes of discourse (Table 1) and of the sources of molestation (Table 2) are neither an exhaustive nor a definitive statement of these constructs. Rather, they are born out of the specific contexts of our own case study and other case studies may uncover alternative scenarios.

We have argued that texts, whether in the form of inscriptions or utterings, are intended to produce specific effects at temporal and/or spatial distances, for example in the case of Megacorp at the levels of manufacturing and sales units scattered around the globe. But in order to reduce molestation between discourse and performance, we have posited that strategic management systems, such as the BSC and specific KPIs, can act as intervening media. The objective of such intervening media is manifold, including acting as depository or store (Assmann, 2006) of senior managers’ aspirations concerning globalization, as translations of strategic discourse into specific localized performance targets, and also as a means of communicating these targets across time and space. Importantly, these intervening media (BSC, KPIs, etc.) seek to forge a strong connection between the targets as translations of globalization discourse and the activities of each individual in the workplace. Yet it is not to be expected that the effects of intervening media produce a perfect mapping between a globalization discourse and organizational performance. The ‘original’ globalization discourse by senior managers will always be in a state of continual flux and reproduction. Dambrin and Robson (2011) stress the importance of recognizing the productive effects of flux, vagueness and interpretive open-ness: “ambivalence and opacity may in fact contribute to the working of performance measurement networks” (ibid, 448). This is where the notion of molestation becomes particularly pertinent, for as the scope for molestation increases we would expect that the role of the BSC and KPIs as intervening media in enacting globalization becomes increasingly limited.

Our detailed analysis of sub-unit enactment of global ideas focused on the uptake of the BSC, but also the use of EBIT and suggestions shows that there were pressures from HQ to secure a high level of conformity but also strong tendencies at sub-unit levels to customize each KPI. Local interpretation, coding, and ordering of the performance parameters drives the specifics of the KPI. In the case of suggestions in particular, there were strong claims of the scheme being ‘invented’ by ElectronUK, an invention that was subsequently re-presented as ‘pinched with pride’, that is copied but adjusted. Hence, themes of repetition and authoring (Said, 1975/1997) are evident there.

Moreover, globalization discourse by senior managers and sub-unit enactment of global KPIs exhibited a subtle play between the two levels. First, while the discourse of senior executives at Megacorp sought to connect with global ideas, such as being globally competitive, sub-units were more preoccupied with the technological/production or sales side of their activities.
Kristensen and Zeitlin (2005, p. 5) also note how different languages were used by HQ and the subsidiaries; the former drawing on idioms of management journals and MBA programs and targeted at financial markets and investors, whereas subsidiaries focused on narratives of technological innovation and improvements.

These emphases do not imply some general conclusion about the perspectives on HQ and subsidiaries except that discourses are shaped by the location from which its pronouncements were made. At Megacorp, engagement with the globalization discourse entailed assessing the performance of a particular national unit and individual production and sales units against several benchmarks, including the best within Megacorp, the best nationally, and the best internationally. The benchmarking language mobilized has “strikingly international connotations” (Kristensen and Zeitlin, 2005: 5).

Innovative ideas from subsidiaries, however, did not seem to always travel to HQ because subsidiaries “lacked the social and organizational space for communicating this information, since such detailed concrete knowledge could not be conveyed and understood within the language of the headquarters” (ibid: 6). It would be valuable to explore the extent to which this restriction of the travel of detailed concrete language from sub-units to global HQ is the outcome of the nature of the innovation. In other words, would ideas travel more readily from sub-units to global HQ if they relate to other types of innovations, for example performance measurement systems (PMS) and key performance indicators (KPIs), where, some might argue, the language may be more commonly shared?

It would be interesting to comment on the extent to which national and geographical diversity and the type of sub-unit activities, in our case plant vs. sales, impact global discourse and KPIs, more specifically to explore the extent to which local specificity feeds into universalised accounting technologies and discourses that circulate globally. The nature of our empirical material makes it possible for us to offer only a few general observations. First, technologies that are the carriers of specific national cultural expressions even when mandated by an MNC’s international HQ do not necessarily travel well to other national locations. We have offered two examples of this: one relates to TIME which has not been adopted in either of the Chinese or UK plants, the other are two KPIs that ElectronUK abandoned because they were ‘too Germanic’ to make sense in a UK context. Second, and relatedly, the managers of ElectronChina seem to frame their discussion of their control thinking and KPIs in terms of technical knowhow, competition in South-East Asia and the training and overall capabilities of their labour force. While ElectronUK also considered the European zone their most relevant ‘global’ context, the thinking of its senior managers was impacted by ElectronChina and the possibility of being shut down if its performance fell below targets. Third, the contrasting fortunes of the much trimmed down ElectronUK and continuously expanding ElectronChina seem to impact the type of accounting control systems and KPIs used in each sub-unit. ElectronUK used the BSC extensively and developed a battery of KPIs in search for cost efficiencies, whereas ElectronChina was managed using a handful of KPIs, without the introduction of a full blown BSC. Fourth, there was some scope for ideas to travel across sub-units within Megacorp; this was made possible because of workshops/meetings involving different sub-units to discuss developments in KPIs and other accounting technologies, publication of some of these developments in the MNC’s various HQ and divisional outlets, and because all sub-units had some computer access to ideas developed throughout the MNC. This explains, for example, why the characteristics of suggestions schemes and definition of relevant KPIs at ElectronUK were in part influenced by other units in Megacorp. Similarly, ElectronUK’s suggestions scheme at the
conclusion of our interviews was judged to be so successful that it was covered in an internal Megacorp magazine that was circulated widely within the MNC.

Our analysis of the emergence of globalization discourse at the level of an MNC did not seek to examine the extent to which such a discourse might impact on the wider discursive field, an issue that is important. Moreover, in conceptualizing discourse as a form of ‘speech act’, we only focus on one target audience, that of the MNC employees at local levels. It would be interesting to explore how other intended audiences react, or indeed enact, managerial globalization discourse: owners, investment analysts, potential investors, financial institutions and money lenders, customers, suppliers, competitors, consultants and indeed academics. These are possibilities that future researchers can turn their attention to.

This paper offers an analysis of globalization and performance measurement systems that is informed by Said (1975/1997). The strength of this approach is that it provides a view of discourse that emphasizes four elements of authoring and also goes beyond notions of resistance and translation in understanding how discourses are molested. Thus the texts considered here, from the CEO of Megacorp in annual reports and speeches to shop floor talk in sub-units, produce significant effects, such as changes in production, workforce suggestions, profits, and phone calls to customers, which are influenced by specific visions and articulations of globalization. People within the corporation respond, across space and time, to systems such as the BSC, related KPIs and a concern with comparisons and benchmarking, in a manner that acknowledges the authority and power of the globalization discourse. Yet they do so in a manner that is the outcome of molestations resulting from their specific circumstances, interests and translations. It is time for the accounting literature to move away from simple minded conceptions of local and global concerns and understandings of globalization that contrast homogenization, standardization and harmonization to fragmentation and difference.
REFERENCES


Figure 1
Time Strategy Implementation

Company goal
Worldwide leadership in electrical engineering and electronics with high profitability
Vertical strategies + horizontal strategies

Management System
initiatives and projects

Resources and drivers
- Management development
- Incentives
- Training/Competency development

Organization and communication
- Committees
- Events
- Corporate calendar

Corporate Principles
Customers  Innovation  Value  People  Responsibility
From Globalization to KPIs
<table>
<thead>
<tr>
<th>Author of discourse</th>
<th>Elements/attributes of discourse</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. MNC’s CEO/Vice CEOs</td>
<td>• Global discursive field&lt;br&gt;• Broad and aspirational&lt;br&gt;• Corporation’s major technical strengths &amp; opportunities&lt;br&gt;• Corporate CEO’s ambitions of corporate &amp; personal leadership roles&lt;br&gt;• Global competitiveness&lt;br&gt;• Optimizing value chain&lt;br&gt;• Cost reduction&lt;br&gt;• Corporate knowledge-skill base</td>
</tr>
<tr>
<td>2. Divisional CEO</td>
<td>• Global discursive field&lt;br&gt;• Corporate CEO’s discourse&lt;br&gt;• Division’s major technical strengths and opportunities&lt;br&gt;• Detailed customer focus&lt;br&gt;• Global sales&lt;br&gt;• Market expansion&lt;br&gt;• R&amp;D investment&lt;br&gt;• Divisional knowledge-skill base&lt;br&gt;• Division-specific</td>
</tr>
<tr>
<td>3. National CEO</td>
<td>• Regional &amp; national discursive field&lt;br&gt;• Corporate CEO’s discourse&lt;br&gt;• National knowledge base&lt;br&gt;• Nation specific</td>
</tr>
<tr>
<td>4. Sub-unit GM</td>
<td>• National/regional discursive field&lt;br&gt;• Corporate CEO’s discourse&lt;br&gt;• Divisional CEO’s discourse&lt;br&gt;• National CEO discourse&lt;br&gt;• Sub-unit strengths and opportunities&lt;br&gt;• Sub-unit knowledge base&lt;br&gt;• Sub-unit specific</td>
</tr>
<tr>
<td>Organizational level</td>
<td>Sources of molestation</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------------</td>
</tr>
</tbody>
</table>
| 1. MNC’s CEO/Vice CEOs | • Ritualistic part of the corporate CEO discourse  
| | • Inadequate knowledge of detailed MNC capabilities |
| 2. Division CEO | • Translation of corporate CEO discourse  
| | • Division’s limitations & specific attributes |
| 3. National CEO | • Translation of corporate CEO discourse  
| | • National specific-characteristics (e.g. culture, geographical location, etc) |
| 4. Sub-unit: GM | • Translation of national CEO’s & divisional CEO’s discourses  
| | • Sub-unit limitations & specific attributes  
| | • Non-compliance with MNC’s control systems (e.g., BSC, TIME)  
| | • Regional/national attributes |
| Middle Management | • Translation of GM discourse  
| | • Embroilment in conditions of co-presence?  
| | • Understanding of discourse  
| | • Translation and adaptation of KPIs  
| | • Resistance |
| Shop floor | • Translation of middle managers’ discourse  
| | • Understanding of middle manager’s discourse  
| | • Shopfloor specific attributes  
| | • Resistance |