THE PARADOX OF MANAGEMENT CONTROL (PMC)

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ABSTRACT

We call the Paradox of Management Control (PMC) an idea suggested by Hopwood (1974, *Accounting and human behaviour*, New Jersey, Prentice-Hall) that managers would actually achieve less overall control within the organisation as a result of using an ever increasing number of individual controls. In this essay we explore this suggestion, briefly in regard to how it is treated within management control literature but towards an alternative explanation for it. A discourse-theory based approach is developed in order to conclude that this paradox in inherent within social orders exercising the logic of management control. The commonly accepted structuralist assumption about the empirical possibility for a complete system of signification – which would in turn deem non-paradoxical control systems possible – supports political endeavours within the organisation in favour of specific interested parties. We want to highlight the effect of such unobserved assumption upon the developments of organisational social logics. Thus, we suggest that most of the problems related to management control and to the use of control artefacts have as primary reason the assumption about the possibility of fullness. We call it a *paradigmatic problem*, for the paradigm that sustains both researchers' and practitioners' rationale about organisations and management control happens to strengthen hegemonic discourses articulated by interested parties within the social order in detriment of everyone else. Management control, in this sense, is constituted as an object within the organisational field out of the articulatory practices performed by the interacting people. It is not a naive interaction

though, but a set of hegemonic practices, i.e. politically inflected endeavours through which specific discourses are raised hegemonic. Hence, more than discussing the impactedness of management control or the design of management control systems, we should be dealing with the primacy of politics inherent within the articulation of management control within organisations

1   INTRODUCTION

> The task of harnessing human efforts for the attainment of organizational objectives has always been of paramount importance. In their endeavor to gain control over the behavior of people, most organizations use a combination of mechanisms, including personal supervision, standard operating procedures, position descriptions, performance measurement and reward systems. Taken together, these mechanisms constitute the organizational control system. (Flamholtz et al., 1985, p. 35)

Starting from this statement, Flamholtz et al. develop an integrative model to deal with management control, which could possibly help on the design of more effective control systems and then more effective organisations. Even though following a diverse theoretical perspective, the scope of the present discussion comes from the same field (as well as from the same desire): management control in organisations, especially its application through accounting artefacts.

Management control regards the efforts of organisational people to influence and direct the behaviour of others within the organisation in order to increase the probability that they will decide and act 'effectively', thus contributing to the realization of some set of 'organisational objectives' (Flamholtz et al., 1985; Merchant, 1985a). It is a matter of securing sufficient resources and mobilizing and orchestrating individual and collective action towards given ends (Alvesson and Kärreman, 2004; Langfield-Smith, 1997).

Management accounting artefacts are ubiquitous in regard to management control as an effect of the *classical model* of management control as developed

since Robert Anthony's seminal work[1] (Berry et al., 2005; Lowe and Puxty, 1989; Puxty, 1998). Anthony's idea of control was intended to be a broadening out of the more technical kinds of accounting and revolved around fixing responsibility centres, as well as programming, analysing and reporting financial performance (Hewege, 2012; Lowe and Puxty, 1989). Moreover, this classical theory grounds on the belief that "economic activities in the developed industrial societies were organized into clearly distinct and well-bounded corporations in which managers coordinated work and sub-units through systematic rules and procedures" (Whitley, 1999, p. 507). The controllers, Whitley continues, "were assumed to be 'management', i.e. the élite group at the apex of an administrative pyramid, who acted in the interests of organisational efficiency, or perhaps effectiveness" (p. 508).

Yet the accounting-based approach to management control invited diverse criticisms over the classical theory. Hewege (2012) offers a review of these developments, especially considering its association with organisational theories, and Whitley ilustrates the criticism:

> This approach has been criticised for being too narrow, for assuming managerial consensus over objectives, for taking worker acquiescence and passivity for granted, and for generating universal – or at least highly general – recipes when it has become increasingly clear that patterns of work organisation differ greatly across sectors, regions and countries, as does the nature of firms and economic actors more generally, in ways that have significant consequences for how economic activities are coordinated and controlled. (Whitley, 1999, p. 508)

One strand of criticism was pioneered by Hopwood (1974), when he suggested that the desire for control is rather personal – even though rapidly translated into organisational terms – reflecting stronger care for predictable and regular behaviour than for effective behaviour towards objectives attributed to the organisation. In the same line, he proposes what we are calling the Paradox of

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[1] Anthony, Robert N. (1965), *Planning and control systems*, Boston, Harvard University Press.

Management Control (PMC): "in many cases, ... managers have actually achieved less overall control over the behaviour of the other members of their enterprises as a result of using the ever increasing number of individual controls" (Hopwood, 1974, p. 18).

Our aim in this paper is to discuss about this paradox, highlighting some underlying characteristics inherent within the organisational environment which diverse situations occur from and that materialise this paradox. In a nutshell, our motivation is to highlight some underlying reasons why this paradox occurs. At the end, we shall conclude for 'paradigmatic issues' underlying the overall rationale about management control. Before that, in the remainder of the paper we present (1) what is meant for the PMC and (2) the situations which together concur to materialise the paradox, and (3) we suggest some underlying reasons why they occur.

2   THE PARADOX OF MANAGEMENT CONTROL

Hopwood (1974) describes three ordinary 'management control'-like situations where the paradox applies, creating vicious cycles of increasing controls in response to less overall organisational control:

To begin, there is the vicious cycle of rules and procedures:

> Organisational controls ... are introduced and the control exercised by senior management takes the form of ensuring that the procedural outlines are followed. ... Easily they [senior managers] can start to regard the organisational rules of the game as being more significant than the efforts of the subordinate managers who are actually playing the game. ... The rules accordingly become accepted as valuable in their own right rather than as merely a means to a wider end. (Hopwood, 1974, p. 19)

This situation of rules conformity follows with simplification of decision making, increasing rigidity and defensiveness in middle managers' behaviour, decreasing ability to respond to both internal problems and external contingencies. Both subordinate and senior managers feel stronger need to

regard on the rules and procedures in order to defend their actions and control the situation, respectively, and yet further controls may be introduced. "Without care this dilemma can develop into a vicious cycle" (id., 1974, p. 20).

Also in regard to rules and procedures, Hopwood describes a second paradoxical situation:

> [General and impersonal rules] help to legitimise the role of senior management by reducing the extent to which they must use overt power for control purposes. However ... [the rules very often succeed in guiding behaviour] by specifying the minimum rather than the effective standards of performance. ... In situations where subordinates do not really accept the conceptions of organisational purposes formulated by senior managers, the specification of a minimum acceptable standard can easily result in a lower level of organisational performance. As senior managers quite naturally see this as a failure, they will be tempted to supervise the other members of the enterprise much more closely. (Hopwood, 1974, p. 20)

What was as an instrument implemented up to reducing the need for overt power, with time starts to raise again the need for that. Non-programmable contributions to performance are pervasive, demanding controls that regard on post hoc information impactedness (Speklé, 2001). Again, both middle and senior managers regard on more controls, either because they want to push on with their own "conceptions of organisational purposes" (id., 1974, p. 20) (senior managers), or because they feel threatened by such pressure and feel even less identification with senior's statements of purpose (subordinate managers). "Yet again ... the dynamics of the situation can easily result in a vicious cycle of controls and countercontrols, and if this occurs, the overall level of organisational control can fall" (p. 21).

A third situation is related to delegation of authority to decision making, raising parochialism within organisations:

> Delegation is designed to place the locus of decision making nearer to both internal management problems and the

> enterprise's external clients and customers. ... [However] these advantages ... are often gained at the expense of fragmented loyalties within the organisation. Managers in different departments ... become more committed to their own department than to the enterprise of which it is part, and as a result their decisions are increasingly based on departmental rather than organisational needs. (Hopwood, 1974, p. 20)

Interdepartmental conflicts and more difficult co-ordination may impact organisational performance; "senior managers responded to the problem by delegating even further authority" (id., 1974, p. 20), i.e. imposing more of the control artefact as result of its own inefficiency.

3   THE EXPRESSION OF THE PARADOX

The PMC materialises through diverse forms; the paradox is the resultant of some patterns of events, which regard management control and taken together produce the less overall control effect. One of these patterns is generally called as the 'dysfunctional behaviours' of organisational people.

Behaviour is considered 'dysfunctional' when "individual or group interests override what is best for the organization in some reified sense" (Chua, 1986a). Merchant and Van der Stede (2003), for instance, suggest a natural tendency for dysfunctionality:

> if all employees could always be relied on to do what is best for the organization there would be no need for a MCS [management control system]. But employees are sometimes unable or unwilling to act in the organization's best interest, so managers must take steps to guard against the occurrence, and particularly the persistence, of undesirable behaviors, and to encourage desirable behaviors. (p. 7)

Dysfunctional behaviours might occur ex-ante or ex-post the actual performance of outcomes-focused actions. Ex-ante dysfunctional behaviours happen when managers and employees deliberately drive planning processes at a certain moment willing to have more favourable performance evaluation at

a future moment. Ubiquitous use of *budget* as a control artefact, for example, leads to diverse ex-ante, budget related, dysfunctions, such as: (1) budgetary slack – when more resources than the necessary to fulfil the desired outcomes are demanded and made available under managerial control (Merchant, 1985b) – (2) budgetary biasing – difference between the "budgeting actor's forecast about the future ('honest budget estimate'), and his or her submitted budget figure (budget proposal)" (Lukka, 1988, p. 282), being able then to negotiate for "highly achievable targets" (Van der Stede, 2000, p. 609) – and (3) managerial myopia when caused by tightly budgeting – managers focus on current period and short-term performance, sometimes harming the long-term effectiveness of the organisation, as a protection from the risk of missing budget targets (Chow et al., 1996; Merchant, 1990; Van der Stede, 2000).

Dysfunctional behaviours might also happen ex-post the managerial and operational actions, e.g. when people manipulate accounting figures reporting performance, "to make the accounting reports a more favourable reflection of the manager's or the worker's performance" (Hopwood, 1972; cf. Merchant, 1990).

PMC materialises through dysfunctional behaviours because these are deemed collateral effects of management control, undesired but unavoidable parts of it. Because of people's and/or group's behaviours willing for their own agendas in detriment of the organisation's, less overall control is observed, which demands more controls, which then raises more opportunities for dysfunctional behaviours, and so on.

As expected, management control research provides diverse rationales for such dysfunctional behaviours. They may be due, firstly, to design problems: the artefacts are not good enough to tackle a supposed human tendency to dysfunctional behaviour. They may present economic or mathematical problems, or maybe the practitioners should receive better education in accounting in order to use them (Hopper and Powell, 1985).

Moreover, secondly, there could be a misfit of the artefacts' attributes and characteristics with environmental factors: the researcher / proposer / lecturer / practitioner of such controls would have addressed imperfectly or impartially the environmental factors affecting performance. Hence, s/he has been unable to

set-up the control artefacts the way that best fit with these factors: "effective operation of enterprises is seen as dependent upon there being a suitable match between its internal organization (including structures, styles of leadership and decision-making), and the nature of the demands placed upon it by its tasks, size, environment, and members' wants" (Hopper and Powell, 1985, p. 439).

If there is no problem with the design of the artefacts or with their fit with the surrounding conditions, other attempts suggest internal, personal problems. A third line of enquiry suggests cognitive problems: dysfunctional behaviours are consequence of messages being misinterpreted or of being interpreted differently than what they should (Hopper and Powell, 1985). It is questioned in these cases the factors that affect the quality of individual decision-making, leading to either changing the way information is presented (solution similar to the ones for the design problems above), or educating the decision-maker in better methods of processing information (idem), or even replacing her/him (with other person or an automatic decision model).

Maybe the internal origin of the problem is not cognitive, but motivational – the fourth attempt of justification: the problems could be in motivating the agents, coming from the idea that greater morale or job satisfaction increases business output (Hopper and Powell, 1985).

It is important to notice that these attempts to justify the problems related to management control – and then prescribe solutions to them – do not question the human tendency to dysfunctional behaviour per se (present since the original proposal of control artefacts), or even how this tendency has been described. It is questioning the tool set to deal with it: "the awareness of 'behavioural dysfunctions' merely spurred on their endeavours to refine measurements to rectify such aberrations" (Hopper and Powell, 1985, p. 435).

Moreover, these attempts are frequently based on the same economic and organisational assumptions which support the rationale about management control. For instance, functionalist and determinist assumptions regarding the behaviour of people using or being affected by the use of these systems, commonly present in the literature proposing such systems (Chua, 1986b; Puxty, 1998), are also frequently maintained on the research about the

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dysfunctional behaviours of those people, either these behaviours were stimulated or were not minimised through the use of control systems.

In contrast with these strands of explanation for dysfunctional behaviours and other patterns of events that generate the PMC, we propose an alternative explanation, questioning the basic assumptions which commonly support the rationale about management control. The very idea, for instance, of dysfunctional behaviour brings within it the suggestion of a 'functional' possibility, certainly an ideal which is socially constructed within the organisational environment. [This dichotomy mirrors the one highlighted by Puxty and Chua (1989): "the question of rationality-irrationality is itself invalid. It is the wrong question – that is, such a dichotomy is the wrong metric. ... Rationality is in the eye of the beholder, and the rationality of any act is not structurally intrinsic to that act but inheres only in the perception of the observer which may to a greater or lesser extent be grounded in the norms of society. Thus, if we claim that actions within organisations are in some way 'irrational' we are merely stating that they do not conform to the norms of society as we perceive them" (pp. 134-5).] More than socially constructed though, both the ideal behaviour and the dysfunctional counterpart are discursively articulated.

4   THE TURNING POINT: ALTERNATIVE EXPLANATION

Against the criticisms over management control and its classical model, diverse claims emerged for studies which would capture social and moral conditions under which management control is operated (Chua et al., 1989), the issues of power and conflict (Cowton and Dopson, 2002) and of multirationality (Dermer and Lucas, 1986), and that would deeply consider cultural, social, political, and anthropological contextual factors affecting management controls (e.g. Efferin and Hopper, 2007; Hopper et al., 2009). Further reviews of these developments are offered by Hewege (2012) and Berry et al. (2009).

In this sense, we ground our discussion against the simplifying assumptions about human behaviour and incentive mechanisms taken for granted within the rationale of management control (Alvesson and Kärreman, 2004; Dermer and Lucas, 1986; Schiehll et al., 2007): the agents are naturally utility maximisers and respond deterministically to incentives, so they may be 'directed' in their

behaviours and actions (Ouchi, 1979; Puxty and Chua, 1989; Puxty, 1998; Speklé, 2001). Such functionalist perspective grounds much of the rationale about management accounting and management control, as well as much of the research effort regarding it: "mainstream accounting research is dominated by a belief in physical realism. ... [Moreover], this prior assumption leads to a distinction between observations and the theoretical constructs used to represent this empirical reality. ... This belief in empirical testability has been expressed ... in the positivist's belief that there exists a theory-independent set of observation statements that could be used to confirm or verify the truth of a theory" (Chua, 1986a, pp. 606–7).

Whilst economic rationalism and determinism support theoretically such rationale, objectivism and positivism support epistemologically and methodologically the research upon it. As a consequence, management control as a concept materialises through sets of control systems implemented in order to rectify the previously stated human behaviour within the organisational environment. It is control as mean to an end – "management control processes ... concerned with the cognition and application of, *ideally*, substantively rational choice models for enterprise control" (Puxty and Chua, 1989, p. 134; emphasis added) – yet this end has been positively stated in advance to the actual performance of management control.

On another fashion – following a social constructionist perspective for observing such phenomena – when the socially constructed nature of management control is considered, reality is still seen realistically, i.e. external to the subjects: "to say that meaningful reality is socially constructed is not to say that it is not real" (Crotty, 1998, p. 63); the world and objects in the world are certainly out there, but in an undeterminate state, "pregnant of potential meaning ... [until] consciousness engages with them" (id., 1998, p. 43). Moreover, social constructionism is not subjectivist, for we do not create meaning, but we construct meaning. "We have something to work with. What we have to work with is the world and objects in the world" (Crotty, 1998, p. 44).

As it is stated regarding such epistemology, some fundamental structure of meanings is assumed. Irrespective this structure be called 'culture', 'institutions', 'system of intelligibility', or 'public available system of significant symbols' –

sources of the interpretive strategies whereby re construct meaning (Fish, 1980) – it precedes us.

> It is clearly not the case that individuals encounter phenomena in the world and make sense of them one by one. Instead, we are all born into a world of meaning. We enter a social milieu in which a 'system of intelligibility' prevails. We inherit a 'system of significant symbols'. For each of us, when we first see the world in meaningful fashion, we are inevitably viewing it through the lenses bestowed upon us [by such pre-established cultural or institutional structure]. (Crotty, 1998, p. 54)

Grounding on this epistemological perspective, 'alternative' approaches to research in management accounting, such as developments on institutional theory and structuration theory, Foucauldian and Latourian approaches (Baxter and Chua, 2003), also reckon on the assumption of pre-established, previously structured systems of social meanings: "organisational participants are seen as continuously ascribing meanings to sets of practices that become known as management accounting" (Baxter and Chua, 2003, p. 103). 'Ascribing meanings' in this sense is performed out of pre-established bunches of organisational meanings. [Moreover to the researcher perspective, this is similar to Morgan's (1988) description of practitioner's role: "accountants often see themselves as engaged in an objective, value-free, technical enterprise, representing reality 'as is'. But in fact, they are subjective 'constructors of reality'. ... They are not just technicians practising a technical craft. They are part of a much broader process of reality construction, producing partial and rather one-sided views of reality" (p. 477; cf. Hines, 1988).]

Whilst meanings to organisational phenomena is socially constructed, irrespective whether it is performed through an institutionalisation, structuration, disciplinatory or translation process, each of these 'meaningness' processes still bears on basic social structures. Yet the intersubjective process to ascribe meaning is analysed, the genealogical process that has generated these conditioning factors to experiencing reality is not questioned. In this sense, and in addition to objectivism / positivism stated earlier, these are all structuralist perspectives.

In spite of pre-established, pacified and stable structures to support the rationale of management control and the organisational developments that ground on it, we regard an endless chain of signification within the organisational environment. A myriad of signifiers are taken within it and articulated throughout the interactions regarding the running of businesses, organisations, processes, etc. These signifiers are articulated in relation to each other and in relation to diverse assumptions that compose the rationale. For instance, signifiers such as 'performance', 'efficiency' and 'efficacy' are articulated in relation to the signifiers 'costs', 'revenues', 'profits', 'budget' etc., which thus reckon on 'objectives', 'possibilities', 'scenarios', and so on.

Whatever signifieds (meanings) are read into those signifiers are matter of unlimited and endless discussions, either technical, practical or political in nature, or ethos, logos or pathos in rhetoric. Arbitrary solutions are then commonly and widely stated, as attempts to pacify such discussions, for the turbulent flow of meanings must stop at some point so the social order can settle.

The social order will settle at some point, and arbitrary solutions may function as nodal points around which the flow of meanings seems to crystallise into a moment of discourse – thus not because they deem the structure complete. In fact, arbitrariness is but one form of hegemonising the social order, like diverse other rhetorical strategies.

More than articulation in relation to each other, those signifiers are also articulated in relation to diverse assumptions about human, organisational and societal behaviours, which are developed within disciplines like economics, psychology, sociology, etc. Whereas most of these assumptions are also matter of strong debate, stability around them is also construed as hegemony, articulated within each discursive field (the meaningful fields as recognised as each of those disciplines, for example, plus the derived fields, the alternative rationales etc.) again through an endless – although not necessarily *endless* in empirical experience – chain of signification. This chain of signification deepens further until the assumptions about the existence per se, i.e. the ontological assumptions that support our participation within the world.

Hence, whatever those meanings read into those and any other organisational signifiers, they are constructed within the social order, grounded on a myriad of assumptions (including ontological perspectives, regardless whether people explicitly rationalise about it), upon rhetoric and out of discourse.

A lot of literature regarding management control grounds on structuralist ontological assumptions, especially when it is assumed the possibility of closed and complete systems of meanings establishing and constraining the social order. For instance, when Otley and Berry (1980) speak of a *cybernetic model of control* – among others and among several other developments based on this suggestion – they make explicit the ontological assumption in organisational and accounting-like terms; for them, in order for a process to be considered *controlled*, four necessary conditions must be satisfied: "there must exist (1) an objective for the system being controlled, (2) a means of measuring results along the dimensions defined by the objective, (3) a predictive model for the system being controlled, (4) a choice of relevant alternative actions available to the controller" (Otley and Berry, 1980, p. 236). It is essentially the description of a closed, structured system.

Considering the possibility of a complete system of meaning, the challenge for researchers and practitioners is about reaching such fullness, shifting research and practice (and discussions, and propositions, and implementations, etc.) to an epistemological level of rationalisation (Quattrone, 2000). It becomes a matter of searching for and establishing the proper way of reaching and compiling the whole set of elements that compose the structure. Researchers and practitioners may ground on objectivism, social constructionism, constructivism or subjectivism when struggling to make sense of the world around and the social order upon which they are working (Chua, 1986a; Crotty, 1998) – whether they explicitly and consciously rationalise about epistemology or not – raising a range of possibilities regarding the design of control systems, the impact of them on people's behaviour, the usefulness of informational artefacts to support decision making and so on, as well as regarding possible explanations for misbehaviours and malfunctions [e.g. Hopper and Powell's (1985) four explanatory suggestions, as quoted before]. However, whilst those researchers and practitioners depart from the unquestioned ontological

assumption that structural fullness is possible, they are still limited by the derived assumption of epistemological limitation in apprehending the complete structure: either they are limited themselves (directly or through methods and methodology), or they assume the limitation of the subjects within their researches and practices (for instance the people affected by control artefacts).

Grounding upon an alternative perspective, we understand complete systems of meaning as necessary, albeit impossible. This statement summarise a post-structural critique upon structuralist ontology, grounding the proposal for a discursive ontology.

This alternative ontology of the social, developed within the premises of post-structuralist discourse theory, acknowledges the primacy of intersubjective objectivity and of subjective practices for articulating meaning to signifiers and to the corresponding objects and practices within a social order. Moreover, this ontology highlights the social antagonism present within this environment and the emergent political projects endeavoured by interested parties to hegemonise ('stabilise') it (Howarth and Stavrakakis, 2000; Howarth, 2000; Laclau and Mouffe, 2001).

To begin with, objective reality is not constituted either upon realist or idealist rationales, but emerges out of discourse. Laclau and Mouffe explain:

> The fact that every object is constituted as an object of discourse has *nothing to do* with whether there is a world external to thought, or with the realism/idealism opposition. An earthquake or the falling of a brick is an event that certainly exists, in the sense that it occurs here and now, independently of my will. But whether their specificity as objects is constructed in terms of 'natural phenomena' or 'expressions of the wrath of God', depends upon the structuring of a discursive field. What is denied is not that such objects exist externally to thought, but the rather different assertion that they could constitute themselves as objects outside any discursive condition of emergence.
>
> (Laclau and Mouffe, 2001, p. 108; italics in the original)

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Emerging out of discourse means that a condition of the meanings for objects and practices is a socially constructed system of rules and significant differences (Howarth and Stavrakakis, 2000; Howarth, 2000). Whilst they have no meaning *a priori* – they are not 'objects' or 'practices' in advance – their meaning and their condition as objects/practices come from socially constructed, historically specific, intersubjective systems of classificatory rules and differences. It is a discursive process, in which discursive structures establish the systems of relations between different objects and practices, while providing 'subject positions' with which social agents can identify (Howarth, 2000).

It is thus a process of articulation: articulatory practices performed by the interacting subjects lead to a stable – although temporary – meaningful reality. In other words, social practices – "ongoing, routinized forms of human and societal reproduction" – correspond to "a whole host of acts and activities [that] contribute to the successful reproduction of various systems of social relations" (Glynos and Howarth, 2007, p. 104). Yet every social practice is articulatory, which brings subversion to the meaningful stability:

> (…) human beings constantly engage in the process of linking together different elements of their social lives in these continuous and projective sequences of human action; [the repetitive engagement in on regular activities, nonetheless], is slightly different each time we do so, thus requiring minor modifications and adjustments in its accomplishment. This means that all social practices comprise temporal and iterative activities, which by necessity connect the present with the past and the future. (id., 2007, pp. 104-5)

Subversion within the social order starts from the open breaches in the system of meaning; these are partial and incomplete due to the *radical contingency of the social*. It is radical as opposed to *empirical contingency*:

> By empirical contingency we aim to capture a sense of possibility: the possibility that contingency *may* be absorbed by a higher order process. For example, what appears to us now as a contingent event – a solar eclipse say – may be

> represented or spatialized by its being subsumed under a
> higher-order process – the planetary laws of motion. However,
> the appeal to radical contingency in a social science context
> contests this familiar subsumptive move which is characteristic
> of the natural sciences. Radical contingency opposes empirical
> contingency's sense of possibility with a sense of *im*possibility:
> the *constitutive* failure of any objectivity to attain a full identity.
> (Glynos and Howarth, 2007, pp. 109–10; italics in the original)

In other words, radical contingency refers to an "inherent (as opposed to accidental) instability of an object's identity" (id., 2007, p. 109), i.e. a structural undecidability of discursive structures which prevents the full constitution of discursive structures. "In short, then, objects of discourse are radically contingent constructs, not essential" (Glynos et al., 2009, p. 9).

Due to radical contingency, "any social meaning will be a social construction and not an intellectual reflection of what things 'in themselves' are. The consequence is that in this 'war of interpretations', power, far from being merely appariential, becomes constitutive of social objectivity" (Laclau, 1996a, p. 103). Moreover, due also to radical contingency, discursive fields are characterised by a 'surplus of meaning' that can never be fully exhausted by any specific discourse, implying that no discourse can fully articulate all elements in a discursive field.

Notwithstanding, discourses do exist as partial limitations of the surplus of meaning – necessary, albeit impossible – i.e. there have to be partial fixations of meaning: "even in order to differ, to subvert meaning, there has to *a* meaning" (Laclau and Mouffe, 2001, p. 112; italic in the original). Discourses are then constituted as attempts to arrest the flow of differences, to construct a centre, although in a partial and temporary fashion.

In this sense, even acknowledging that the full closure of systems is not realisable, political endeavours are performed within the social order; the aim of fullness impacts strongly within the discursive field: "although the fullness and universality of society is unachievable, its need does not disappear; it will always show itself through the presence of its absence" (Laclau, 1996b, p. 53). The idea of closure, i.e. the will of fullness and stability, is a desired ideal in

society. Although impossible, social orders are established on the basis of such ideal.

Political actors, aware of such weakness of society in general and social orders in particular, carry out their own individual interests and objectives through the promise to and search for such ideal. They claim leadership upon the (promise for the) possibility of closure and fullness: "various political forces can compete in their efforts to present their particular objectives as those which carry out the filling of that lack. To hegemonise something is exactly to carry out this filling function" (Laclau, 1996c, p. 44), and hegemonic practices are exemplary for it.

Hegemonic practices involve the "linking together of different identities and political forces into a common project, and the creation of new social orders from a variety of dispersed elements" (Howarth, 2000, p. 109). They take place following the existence of antagonistic forces, plus the instability of the political frontiers that divide them. "Hegemonic practices thus presuppose a social field cris-crossed by antagonisms, and the presence of contingent elements that can be articulated by opposed political projects striving to hegemonize them" (id., 2000, p. 110).

Hence, in order to assume the possibility of fullness, what actually happens is the completion of the system of meaning through the hegemonic discourse articulated by one person or group. In other words, interested parties struggle within the social order to hegemonise their own political projects, and the promise of fullness represents the basic component for it.

This is what makes the idea of fullness present within the structuralist ontology so pernicious, because it legitimates the possibility for interested parties to articulate hegemonising discourses and to develop specific projects upon the call for – or the promise to – totality within the social order. As they could say, if they were fully aware of this basic movement: *if people in the organisation want totality, so they lie on ontological comfort and are better able to develop their duties, let's give them that; let's establish functions within which they can fit and meanings upon which they can reckon; moreover, let's articulate the logic of management control and stress the need, as well as the human possibility irrespective of the challenge, for them to fulfil whatever is deemed to mean*

'effective' or 'superior performance', because then everything is possible to be done.

The fundamental critique that we intend to raise is not against structuralist ontology per se. We want to highlight the effect of such unobserved assumption upon the developments of social logics within organisations, considering what comes from it. In other words, we suggest that most of the problems related to management control and to the use of control artefacts have as primary reason the assumption about the possibility of fullness. We call it a *paradigmatic problem*, for the paradigm that sustains both researchers' and practitioners' rationale about organisations and management control happens to strengthen hegemonic discourses articulated by interested parties within the social order in detriment of everyone else.

Management control, in this sense, is constituted as an object within the organisational field out of the articulatory practices performed by the interacting people. It is not a naive interaction though, but a set of hegemonic practices, i.e. politically inflected endeavours through which specific discourses are raised hegemonic. In Puxty and Chua's (1989) words: "the organisational plan, so beloved of management control theorists, may be reinterpreted not as a set of instructions for what actually will take place, but rather as an ideological device that functions to build constituency, to define the limits of 'responsible opinion'. Instead of attempting to co-ordinate and control work activities, the plan may be a tool to impose the planners' or managers' definition of reality upon discourse and conduct within and around the organisation" (pp. 125-6). More than a rationale to support the managerial exercise within the organisation towards the realisation of its objectives, 'management control' then becomes the empty signifier around which meanings are articulated and read into the diverse other signifiers that surround the organisational discursive field. The more 'empty' of specific meaning it is, the higher the possibility it becomes hegemonic; emptiness is an essential quality and condition of the possibility for its hegemonic success (Laclau, 1996c). Hence, more than discussing the impactedness of management control or the design of management control systems, we should be dealing with the primacy of politics inherent within the articulation of management control within organisations.

5 CONCLUSION

The idea of a paradox regarding the logic of management control is certainly not new, especially within managerial and accounting academic literature. Diverse strands of empirical research and theoretical development have tackled this issue, either directly or as collateral effect of other organisational phenomena. Our intention through this present essay was to highlight it through a different perspective: first, we wanted to stress the dynamic, discursive process through which management is exercised, based on logics that are neither static nor pacified, but recurrently socially (re)constructed throughout articulatory practices and out of discourse. Essentially, it means that management control regards logics that are in constant rearticulation, specially in consequence of changing efforts (e.g. attempts to implement 'new' and/or 'better' control artefacts), which raises necessarily the PMC. That is, by any attempt to institute control – through, for instance, the implementation of control artefacts – it changes the social logics which are exercised within the social order, because the elements and nodal points which constitute the meaningful discursive field are rearticulated into a new moment of discourse. It creates new points of dislocation within the field, raising new opportunities for alternative political endeavours, which results in less overall control than before. PMC, hence, is inherent in social orders exercising the logic of management control.

Secondly, we wanted to stress the epistemological nature of most of research in management control which is not suited for challenging the possibility of such paradoxical rationale. More than a discussion about how to make sense of the world, subject to empirical contingency either (both) on the part of the researcher or (and) of the subject within the research, theoretical development should be a matter of ontological questioning.

Thirdly, and also in relation to ontology and the fundamental assumptions about the nature of objects and social relations, we wanted to stress the impact of an essential structuralist assumption on social orders. If complete systems of signification are deemed possible, it becomes only a matter of surpassing empirical contingency. Nonetheless, following an alternative rationale which considers the radical contingency within the social, claiming fullness becomes but a powerful rhetorical strategy for hegemonising one – actually, *one's* –

particular set of objectives. It is powerful due especially to unawareness of such ontological *im*possibility.

Finally, a question emerges from this discussion, yet it becomes unresolved: would a post-structuralist perspective provide more fruitful insights for studying management control? Or, more functionalist: would such perspective solve the PMC? We are not sure how research driven towards ontological reasoning can impact on practicing management as well as on theorising management control. However, we understand that such form of inquiry should mobilise research, for it is a way of moving through the bounded nature of epistemological inquiry.

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