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A THESIS

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'Power relationships within a corporate finance department: a Foucauldian approach to corporate hierarchies and resistance'

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ATTESTATION OF AUTHORSHIP

I hereby do declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgments, referenced or quoted), nor material which to a substantial degree has been submitted for the award of any other degree or diploma of a university of other institution of higher learning.

Signed:

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ABSTRACT

This PhD thesis investigates power relationships within a corporate Finance Department employing a Foucauldian approach to explaining corporate hierarchies and resistance and the implications.

Research was conducted in the form of a case study and observation of a corporate finance department, referred to as the 'Finance Department', at the 'Company', referred to as such for confidentiality purposes. The Company is a large Dutch based mail and logistics entity that operates internationally across over 200 countries and has its corporate head office just outside of Amsterdam. The Company's Finance Department was in the throws of change, particularly around hierarchies as a result of the reengineering process with the purpose of creating efficiencies. The aim of the research was to evaluate the power relationships that existed within the hierarchies between management and workers who worked either for the Finance Department or closely with it, and to analyse the outcomes of these power relationships in terms of resistance.

The case study is a Foucauldian insight into the different individuals who worked either within the Finance Department or closely with it, with an evaluation of their roles and how their differing power structures impacted upon the workflow within the Finance Department.

The outcome of this research is an evaluation of those individuals and their relationships at a particular point in time, which was impacted by so many different factors. The research could give readers an understanding of power relationships and framework for contextual Foucauldian evaluation.

The significance of the contribution arising from this particular piece of research is that it involves the combination of a case study method with a Foucauldian perspective. The combination of these two elements allows the research to be done both from the top down and also from the bottom up. Increasing in use as a research tool (Hamel, 1992), the case study contributes uniquely to our body of knowledge of individual, organisational, social and political phenomena (Yin, 1994). The Foucauldian perspective plays an important part in terms of an understanding of power, despite the fact that it is often difficult to fully comprehend the meanings behind Foucault's work (McHoul & Grace, 1993).

1 INTRODUCTION

1.1 AIM OF THESIS

> *"…It is about us having the power or the big stick to push things through or maybe more appropriately trying to get their side of things and meet in the middle. There are big challenges outside our department". (M5, interview quote, 2003)*

The aim of this thesis is to evaluate from a Foucauldian perspective the power relationships which exist within the hierarchies between management and workers who work either for the Finance Department or closely with it, and to analyse the outcomes of these power relationships in terms of resistance to change. The case study is a Foucauldian insight into key individuals with an evaluation of their roles and how their differing power structures impact upon the workflow within the Finance Department.

1.2 OBJECTIVE OF THE THESIS

The objective of the thesis is to further explore the selected research questions. The research questions, which are from a Foucauldian perspective, are as follows:

Question 1: Do power relationships follow hierarchies?

Question 2: How do power relationships impact individuals, hierarchies and workflows?

Question 3: What impacts upon and influences power relationships, and how can this create forms of resistance?

As the overall objective of the thesis is to address these research questions, it is fundamental that the research questions are taken into consideration when deciding which methodology is the most appropriate to use.

1.3 SUMMARY OF CONTRIBUTION

It is anticipated that the significant and original contribution of the research is that the researcher has taken a unique stance in combining Foucauldian perspective with interpretative methodologies using the case study and

observation methods to give insight into power relationships and how they impact upon hierarchies and workflows. The outcome of the thesis overall is an understanding of power, hierarchies and resistance of both the workers and the managers within the case study from a Foucauldian perspective. It is expected that power strategies employed have had a significant impact on the workflows of these individuals. It is also anticipated that the power strategies have created resistance within some individuals as well.

The combination of using both the case study and observations methods under interpretative methodology with a Foucauldian perspective is that it allows the research to be done both from the top down and also from the bottom up. Increasing in use as a research tool (Hamel, 1992), the case study contributes uniquely to our body of knowledge of individual, organisational, social and political phenomena (Yin, 1994). The research showed combining Foucauldian perspective with interpretative methodologies is a valid way of undertaking and understanding a case study.

The Foucauldian perspective plays an important part in terms of an understanding of power, despite the fact that it is often difficult to fully comprehend the meanings behind Foucault's work (McHoul & Grace, 1993).

> *"He (Foucault) does not provide a definitive theory in terms of a set of unambiguous answers to time worn questions". (McHoul & Grace, 1993, viii)*

The research falls under the accounting research umbrella because it is a study of a Finance Department, and whilst the findings could be in part generalised to apply to other departments, they relate to how a Finance Department is impacted upon by power relationships which impact in turn upon individuals, hierarchies and workflows. This is important from an accounting research perspective as understanding the resistance that may arise within the department, allows a greater comprehension of how these resistances might be overcome or managed more effectively, which would allow the Finance Department to work more efficiently.

Although the case study is specific to the set of circumstances that surround it, the particular individuals involved and the time that it was undertaken, the case study may prove to be a useful framework for others who wish to perform future

study in the area of power relationships and how these impact upon workflows and hierarchies.

1.4 METHODOLOGIES LEADING TO METHODS

The literature review within chapter two which relates to power has the aim of understanding the concept of power from a Foucauldian perspective and how power is exercised and resisted. It is important to understand this in the light of how power might impact the change process which is explored within the case study.

An in-depth analysis of literature on research methodology has been undertaken within this thesis (chapter three) so the researcher can evaluate which approach would best suit this research. Another vital reason for doing this type of literature analysis is so that the researcher is aware of the different streams of thought relating to how people regard research and all of the arising complications and issues that accompany this. The result from part of the literature review is the selection of the interpretative methodology to assist in the analysis of the research topic. As the interpretative research being directed at describing, translating, analysing and otherwise inferring the meaning of events or phenomena occurring in the social world (Colvaleski & Dirsmith, 1990), it is the most appropriate methodology for this particular research.

The discussion of the methodology selected leads into the methods used within the research and the associated links between the two. A triangulation approach is selected (Gillham, 2000), where the case study is the overall method chosen with a combination of the interview and observation methods incorporated under the case study. This produces a statement of research questions which has been derived from a combination of the literature review, methodology and methods chosen.

Following this, a case study analysis is undertaken by the researcher on the Finance Department within the Company. This will incorporate the research methods of observation and interviews as described in chapter four of this thesis. The reasons as to why the case study is most appropriate method, and why the interpretative methodology with a Foucauldian perspective should integrate into the case study method used, have also been explored in that chapter. By using looking at the research from both the ‘top down’ and the ‘bottom up’, two

differing perspectives should emerge, and the overall thesis will be broader than if only a top-down approach was adopted.

1.5 LIMITATIONS & SCOPE OF THE THESIS

The most significant limitation to the thesis from a functionalist perspective would be that the conclusions and recommendations drawn from the interviews undertaken, which are by their nature, people's individual perception's and not necessarily the same as anyone else's perceptions. An individual's background, experiences, current job and past history will all impact the answers they give in the interviews, as well as their observed behaviours. However, as the research is being conducted from an interpretative perspective with a Foucauldian emphasis, it is accepted that individual differences and perceptions are purely that and that this is not something that can be mitigated or changed, nor should they be.

The researcher is a New Zealander who was based in the Netherlands over the time that the case study was undertaken. The Netherlands is where the head office of the Company is located. Without being able to speak the native language of the Netherlands fluently (Dutch), the researcher encountered problems when trying to locate English literature on related topics whilst she was located there. However, the researcher had access to the library of the Dutch Institute of Chartered Accountants (NIVERA) which has both English and Dutch literature. This ceased to be a problem when the researcher relocated back to New Zealand where she has been located whilst completing the thesis.

The researcher worked in several full time jobs while conducting the research and writing the thesis which put strong time limitations and pressures on the thesis. The thesis has taken longer to complete as a result and unfortunately the analysis from the case study would not be quite so timely for the Company, should they decide to consider the outcome of the thesis. However, as the thesis was undertaken with the desire to analyse the individuals from a Foucauldian perspective and is a 'snap-shot' in time, so the interpretations of the behaviours at that time are purely that – interpretations by the researcher from a Foucauldian perspective of the Finance Department and the consequential power struggles that went on within the Company whilst it was undergoing quite dramatic change processes.

The researcher has focused heavily on Foucault's own literature as she really wanted to express her understanding of Foucault's views and perspectives on power, and how these views would impact upon a case study such as this piece of research. As a result, the thesis is limited in that it does not take into account all literature that relates to other researcher's views on Foucault's beliefs. The literature review within this thesis is not intended to be an all-encompassing review of Foucauldian accounting scholars, but rather an understandable and concise review of Foucault, and some Foucauldian scholars, beliefs in power which the researcher feel are relevant and applicable to this research.

The scope of this thesis is limited, in that it contemplates from a Foucauldian perspective the different ways the individuals concerned reacted and resisted the workflows within the Finance Department for the Company. The conclusions from the case study may be applicable to a certain degree to other multi-national organisations that are undergoing change, but it must be remembered that the power structures that exist for the individuals concerned are specific to those individuals, that Finance Department and that particular Company.

1.6 OUTLINE OF THESIS & OVERVIEW OF RESEARCH

This thesis is divided into seven chapters. Prior to the start of the thesis, there is a disclaimer of liability, table of contents, attestation of authorship, and acknowledgments, followed by a short abstract which outlines what the thesis is about, a list of tables and figures, and a list of appendices.

The chapters and their objectives are outlined in the table that follows, then discussed in more depth following the table.

Table 1: Outline of Thesis Chapter Objectives

Chapter 1	Give an overview of the aim and objectives of the thesis, to summarise the contribution of the research will have, outline the methodologies and methods used, limitations and scope, and structure of the thesis.
Chapter 2	Detail a literature review on power, with a particular focus on Foucault and his beliefs about power.
Chapter 3	Discuss the three different accounting research methodologies and introduce the research questions, concluding with selection of one of the methodologies for the case study.
Chapter 4	Detail the research methods used.
Chapter 5	Discuss the findings of the interpretative case study with an analysis of each of the individual workers from a Foucauldian perspective.
Chapter 6	Discuss the findings of the interpretative case study with an analysis of each of the individual managers from a Foucauldian perspective.
Chapter 7	Analyse the case study and construct conclusions which can be drawn from the Foucauldian perspective and interpretative methodology.

Source: Developed for this research

The objectives of the different chapters within the thesis are discussed in more detail following.

The objective of the first chapter is to give an overview of the aim and objectives of the thesis, as well as summarise the contribution the research will have. It will also outline the methodologies and methods used, limitations and scope, and structure of the thesis.

The objective of the second chapter is to detail a literature review on power, with a particular focus on Foucault and his beliefs about power. Relevant concepts will

be explored such as power and hierarchy, power and institutional norms, and power and knowledge. Exercising and resisting power will lead to a discussion of aspects of power dressing and sexual power.

The objective of the third chapter is to discuss the methodologies and introduce the research questions used. This will be followed by a discussion of the importance of accounting research, detailing key definitions of terminology that are crucial to understanding the thesis, and then the history behind why an understanding in accounting research is important will be explored. This will be followed by a brief analysis of the recent classifications in accounting research with a discussion on the three different types of accounting research methodology: the functionalist approach, the interpretative approach, and the critical approach. Within each of these categories of approaches, the thesis will analyse beliefs about physical and social reality, beliefs about knowledge, beliefs about the social world, theory and practice, and conclude with a summary of the approach, discussion about the limitations of accounting research methodologies and a comparison of the different methodologies will be made.

The objective of the fourth chapter is to detail the method used including the thinking approach, and the research methods employed being semi-structured interviews, observation, and a case study.

The objective of the fifth chapter is to explore the case study, discussing the findings of the interpretative case study with an analysis of each of the individual workers from a Foucauldian perspective. The case study is an interpretation of the researcher's observations along with analysis from the interviews conducted.

The objective of the sixth chapter is similar to chapter five but relates to the findings of the interpretative case study with an analysis of each of the individual managers from a Foucauldian perspective. Again, this part of the case study is an interpretation of the researcher's observations along with analysis from the interviews conducted.

The objective of the seventh and final chapter is to analyse the case study and construct conclusions which can be drawn from the Foucauldian perspective and interpretative methodology.

The research was undertaken to enable greater understanding into the power relationships that existed within a Finance Department which was undergoing tumultuous change. To gain insight into how the power relationships impacted upon individuals, hierarchy and workflows, a case study was performed where both workers and managers within the Finance Department and outside of the Finance Department were observed and interviewed. This allowed the researcher to understand how the affected individuals felt from their own perspective and observation was undertaken to allow insight into behaviours of individuals and allow analysis of reactions.

13 workers and 12 managers were interviewed for this case study. Six workers and five managers had jobs within the Finance Department. The other seven workers and seven managers had jobs in other departments such as Treasury, Fiscal, Tax, Corporate Communications or one of the three Divisions. All of the individuals interviewed from these other departments, had relationships with the Finance Department. The Finance Department is reliant on getting information from all of these Departments, and consequently either directly or indirectly from the individuals interviewed, for their deliverables. All the participants, their job titles and their ranking (which is explained later in this section) are listed in Table 4 within chapter five.

Due to the nature of the work done by the Finance Department and the resultant reliance and interdependence on other departments outside of Finance, the relationships that exist between these departments are critical. Comprehension of the power relationships between individuals, compared to their hierarchy and the workflow between departments can assist in understanding resistance that permeates these departments, hindering productivity.

Hence, the workers and managers have been divided into two categories; either within the Finance Department or outside of the Finance Department. They are then ranked according to their informal power structure, with the most powerful being listed as W1 and so forth down to the lowest ranked worker being W13. These rankings in no way take into consideration the workers official position within the hierarchy according to job description and seniority. Hierarchy diagrams have been created to show both of these things and enable evaluation of the work flow and the relationships which impact upon these particular individuals.

The relationships between the Finance Department and all other corporate functions such as Treasury, Fiscal, Corporate Communications and Investor Relations have an impact that cannot be underestimated. Each department has its own culture which has developed from the individuals who comprise that department. The power relationships between the individuals impact upon how the work is allocated, delegated, and performed.

1.7 SUMMARY

This chapter has outlined the aim and objectives of the research, and also introduced the background to the case study and why it is an important area of accounting research. This chapter also has discussed the contribution and significance of the research with an outline of the methods and methodologies used, limitations and scope of the research, and has given a clear outline of the structure of the thesis.

This research was undertaken to allow a greater understanding of how power relationships can impact upon and influence individuals, hierarchies and workflows, of both workers and managers within the Finance Department under study and those who are working closely with the Department. The case study also considers and evaluates how power relationships can create forms of resistance and how this resistance can impact upon individuals, hierarchies and workflows.

The importance of this case study research and the contribution it will make, must hang on a 'framework' of some description. Whilst as discussed in section 1.3 of this chapter, Foucault was not able to produce a definitive framework (McHoul & Grace, 1993), his ideas about power and how it should be viewed are all critical to this research. Hence the importance of doing a comprehensive literature review in an attempt to summarise Foucault's beliefs to allow the researcher to put them into the context of the case study later on in the thesis. The following chapter is a literature review on power with a particular focus on Foucault and his beliefs.

2 LITERATURE REVIEW - POWER

2.1 INTRODUCTION

The aim of this thesis is to evaluate and critically analyse from a Foucauldian perspective the power relationships which exist within the hierarchies between management and workers within the scope of the case study. The outcomes of these power relationships could be analysed in terms of resistance, giving a Foucauldian insight into the key individuals with an evaluation of their roles and how their differing power structures impact upon workflow.

In order to truly understand what power is and how it impacts upon relationships from a Foucauldian perspective, it is necessary to perform an in-depth literature review. This literature review needs not only to take into account the writings of Foucault himself, but also the writings of others who have written about Foucault or from a Foucauldian perspective with regards to power, rights, relations and discipline. The objective of this chapter is to gain an understanding of how all of these elements interrelate and impact upon each other. More specifically, the objective of this chapter is to introduce Foucauldian approaches to questions of power and knowledge and discuss why a Foucault perspective on the research is adopted.

This chapter will discuss power in general, then more specifically Michel Foucault and his beliefs of power, including a discussion on exercising and resisting power.

2.2 POWER

Power is difficult to define, as when considering power as a capacity, it is only evident and apparent to us through its effects. Power, as defined by *A Dictionary of Political Thought (1983)* is:

> *"…the ability to achieve whatever effect is desired, whether or not in the face of opposition. Power is a matter of degree: it can be conferred, delegated, shared and limited…power may be exercised through influence or through control…power is an undisputable fact…" (Scruton, 1983)*

Individual power can vary enormously for a variety of different reasons. Power can vary according to an individual's desire or 'thirst' for power (Livingston, 2002). If an individual has a strong desire for power, then they are more likely to

take risks to accumulate it than an individual to whom power does not matter. Power strategies can also be overt or underlying – overt being obvious power which is plain to see to the outside observer, whereas underlying power may not appear to exist at first glance, but is there in a more subtle and discrete form (Scruton, 1983). Power can be exercised either by influence or by control, the former being more like an underlying power with the latter typically being explicit.

Institutional or organisational power is power that organisations have themselves. There is the overall power that an organisation wields, and then there is the individual power that exists within an organisation due to the people who operate within it.

Power can exist in many forms, but perhaps the most useful way for this thesis to consider power, is from a Foucauldian perspective. The next section within this chapter discusses Michel Foucault and his beliefs about power.

2.2.1 MICHEL FOUCAULT

Michel Foucault (1926-1984) was a French philosopher whose writings on social institutions such as psychiatry, medicine, and the prison system, the history of sexuality and the relationship between power and knowledge had an enormous impact across humanities and the social sciences.

Foucault was an interesting individual who had a fascination with prostitutes. His writings were varied, often jumbled and sometimes repeated themselves. Despite this, his writings on how power actually operates within society and how power should be viewed were fundamentally strong and follow certain specific beliefs, albeit no framework, as described within this section.

2.2.1.1 FOUCAULT'S WRITINGS

As mentioned above, Foucault wrote on many topics, such as the constructions of subjects (Foucault, 1970), discipline (Foucault, 1997), power/knowledge (Foucault, 1980), institutions (Foucault, 1980), docility (Foucault, 1967), domination (Foucault, 1988), discourse (McHoul & Grace, 1993), archaeology (Foucault, 1970) and genealogy (Foucault, 1972). The focus of this literature review will be on Foucault's writings about power.

2.2.1.1.1 FOUCAULT AND POWER

Michel Foucault (1926-1984), was first and foremost a philosopher who did philosophy as an interrogative practice rather than a search for essentials (McHoul & Grace, 1993). He also, like many continental European thinkers, did not separate philosophy from history the way that many English-speaking philosophers do (McHoul & Grace, 1993). It was an interesting time politically and socially in France during the period that Foucault wrote (Gordon, 1980).

> *"…one can tentatively identify the years around 1972-1977 in France as an unusual and fascinating, albeit confused, period, during which new lines of investigation and critique emerged on the intellectual scene in a relationship of mutual stimulation with new modes of political struggle conducted at a multiplicity of distinct sites within society". (Foucault, 1980, pviii)*

McHoul and Grace (1993) consider that Foucault's work could be divided into three phases. Foucault's early work, Madness to Civilisation (1961) and The Archaeology of Knowledge (1969), concentrates on the questions of knowledge, with the units of knowledge being referred to as 'discourses' (McHoul & Grace, 1993). The second phase, which produced books like the first volume of the History of Sexuality (1979) turns to political questions of power and the control of populations through disciplinary (for example, penal) practices (McHoul & Grace, 1993). The third and final phase involves discovery of a theory of the self and the related work that arose was Volume Three, The Care of the Self (1984) (McHoul & Grace, 1993).

Foucault's focus on the question of power constituted a shift of political analysis away from the relations of production or signification to a study of power relations (McHoul & Grace, 1993).

> *"The individual is an effect of power, and at the same time, or precisely to the extent to which it is that effect, it is the element of its articulation". (Foucault, 1980, p98)*

The mainstream and functionalist views of power as described by Chua (1986), believe that power can be possessed. This makes power sound like a tangible possession and something that exists independent of everything surrounding it. This researcher believes that, in contrast, power is totally dependent on relationships and without relationships, there is no power. This is a very

Foucauldian approach and dismisses the idea that 'potential' power is of any interest, or indeed, even exists.

Adopting a Foucauldian approach to research is not however without its challenges (McHoul & Grace, 2000). Neither Foucault's methodology nor his methods are overly well prescribed (Kearins & Hooper, 2002).

> *"Although one can find scattered through Foucault's works a number of methodological imperatives, there is no single over-arching set of principles or procedures". (Kearins & Hooper, 2002, p734)*

As discussed in section 1.3, the Foucauldian perspective plays an important part in terms of an understanding of power, despite the fact that it is often difficult to fully comprehend the meanings behind Foucault's work (McHoul & Grace, 1993).

Foucault's beliefs about power, which are adopted by this researcher in this thesis, are as follows:

Table 2: Foucault's beliefs about power

Power is totally dependent on relationships
Power is everything
Power relations are both intentional and non-subjective
Power needs to be 'hidden'
Where there is power, there is resistance
There is no such thing as 'potential' power
All relationships are a chance to exercise power
Power does not happen in isolation
Power can come from anywhere
Powerful people are risk-takers
Power is accepted
Forms of power have evolved
Rules of right and truth establish limits of power

Source: Developed for this research

- ***Power is totally dependent on relationships***

> *"…power is neither given, nor exchanged, nor recovered, but rather exercised and…it only exists in action". (Foucault, 1980, p89)*

Foucault believed very strongly that power was not a possession and therefore could not be acquired, seized or shared (Foucault, 1988). Rather, he maintained that power was the result of a relationship, and therefore could only exist where there were relationships. These relationships could be economic processes, knowledge relationships, or sexual relations, although according to Foucault the latter is what has the most influence over the ability for one to exercise power (Foucault, 1979).

The way in which Foucault believed that power was 'web like' emphasised the fact that power exists solely through relationships and could not be possessed by an individual.

> *"Power must be analysed as something which circulates, or rather as something which only functions in the form of a chain. It is never localised here or there, never in anyone's hands, never appropriated as a commodity or piece of wealth. Power is employed and exercised through a net-like organisation. And not only do individuals circulate between its threads; they are always in the position of simultaneously undergoing and exercising this power…In other words, individuals are the vehicles of power, not its only points of application". (Foucault, 1980, p98)*

Power is not a capacity or a 'battery' that can be strapped on or taken off, according to Foucault (1978). Power is dependent on the existence of relationships and cannot exist in isolation (Foucault, 1977), which is why it is important to study not only the 'effects' of power but also the 'aims'. When considering relationships, one person usually has more power, and the other person has less. Under a Foucauldian approach, the submissive person is not necessarily in a negative position because of their lack of power, as is assumed by many other authors such as Kahn and Boulding (1964). A Foucauldian approach holds that the submissive person may well enjoy and benefit from having the other person hold more power in the relationship.

- ***Power is everything***

> *"Power is everywhere; not because it embraces everything, but because it comes from everywhere". (Foucault, 1978, p93)*

Foucault considered that power is absolutely everything. He considered power to be more important than food, water, shelter and clothing. Power was the ultimate, to be much desired and highly sought after (Foucault, 1977).

Foucault believed that the only motive that exists within individuals is the motive of power. As a result, the reasons as to why an individual acts in a particular way was not of interest to Foucault, as there can only be one true motive – that of power (Foucault, 1977).

Foucault believed that power should not be described in a negative way, by using words such as 'it represses' or 'it excludes' but rather power should be viewed in a positive light in that power produces reality or the truth (Foucault, 1977).

- ***Power relations are both intentional and non-subjective***

> *"…they are imbued, through and through, with calculation: there is no power that is exercised without a series of aims and objectives". (Foucault, 1978, p95)*

Foucault believed that power relations are not the result of another instance that 'explains' the relations, but rather that they are exercised with a purpose (arising from the aims and objectives) (Foucault, 1978). He did not believe that this was a result of the choice or decision of an individual; instead, tactics arise in the very beginning and are not necessarily invented or formulated by that individual yet can form comprehensive systems and have clear logic and aims as an end result (Foucault, 1978).

- ***Power needs to be 'hidden'***

> *"Let me offer a general and tactical reason that seems self evident: power is tolerable only on condition that it masks a substantial part of itself. Its success is proportional to its ability to hide its own mechanisms". (Foucault, 1978, p86)*

Foucault (1978) believed that power would only be successful if it was not obvious. Power must be seen as a limit on freedom for it to be acceptable in society. The historical reason Foucault provided for this, is that in the Middle Ages great institutions of power were developed. During this time, the monarchy and the state rose up on the basis of a multiplicity of prior powers and to a certain extent, in opposition to them, as in the cases of serfdom and indirect or direct domination over the land (Foucault, 1978). The monarchy and state were able to

prosper if they could form tactical alliances and therefore gain acceptance, so they could be seen as agencies of regulation and arbitration, bringing order to the powers. They established principles, applied these to the powers and distributed them according to boundaries and a fixed hierarchy. This formed the initial stages of a judicial system in Western societies. Since the Middle Ages, in the West the exercise of power has been formulated in terms of law. Power was hidden by the monarchy exerting laws (Foucault, 1978).

- ***Where there is power, there is resistance***

> *"Resistances do not derive from a few heterogeneous principles; but neither are they a lure or a promise that is of necessity betrayed. They are the odd term in relations of power; they are inscribed in the latter as an irreducible opposite. Hence they too are distributed in irregular fashion: the points, knots, or focuses of resistance are spread over time and space at varying densities, at times mobilising groups or individuals in a definitive way, inflaming certain points of the body, certain moments in life, certain types of behaviour". (Foucault, 1978, p96)*

According to Foucault, these points of resistance are present everywhere in the power network. As power relationships have a strictly relational character and there is no one single source of resistance, just as there is no one single source of power. Instead, there are multitudes of resistances, each of them being a special case arising from individual circumstances and power relations (Foucault, 1977).

As power relationships have no single source of resistance, the multiplicity of points of resistance can play many different roles in power relations, such as that of adversary, target, support or handle (Foucault, 1977 & Foucault, 1978).

- ***There is no such thing as 'potential' power***

> *"If one tries to erect a theory of power, one will always be obligated to view it as emerging at a given place and time, and hence to deduce to it, to reconstruct its genesis. But if power is in reality an open, more or less co-ordinated (in the event, no doubt, ill-coordinated) cluster of relations, then the only problem is to provide oneself with a grid of analysis which makes possible an analytic of relations of power". (Foucault, 1980, p199)*

In Foucault's view, power is concerned with the present, not the future. Hence, potential power does not exist (Kearins, 1996). Foucault believed that power is not something that is acquired, seized, or shared, something that one holds on to or allows to slip away (Foucault, 1980). How power emerges and is exercised

through power strategies as a result of relationships in the present tense, is what is of interest and concern (Foucault, 1977).

- ***All relationships are a chance to exercise power***

> *"…power is not an institution, and not a structure; neither is it a certain strength we are endowed with; it is the name that one attributes to a complex strategical situation in a particular society". (Foucault, 1978, p93)*

Foucault believed that all relationships provide an opportunity to exercise power. Power is viewed in its most basic form as sexual power (Foucault, 1976). An example of this that Foucault uses within The History of Sexuality (1976), is how we have associated sex with sin for a long time, and as a result burden ourselves with so much guilt for having once made sex a sin (Foucault, 1976).

> *"All the longer, no doubt, as it is in the nature of power – particularly the kind of power that operates in our society – to be repressive, and to be especially careful in repressing useless energies, the intensities of pleasures, and irregular modes of behaviour". (Foucault, 1976, p9).*

Foucault (1976) asks how we account for the displacement which, while claiming to free us from the sinful nature of sex, taxes us with great historical wrong which consists precisely in imagining that nature to be blameworthy and draws disastrous consequences from that belief.

- ***Power does not happen in isolation***

> *"Let us not, therefore, ask why certain people want to dominate, what they seek, what is their overall strategy. Let us ask, instead, how things work at the level of on-going subjugation, at the level of those continuous and uninterrupted processes which subject our bodies, govern our gestures, dictate our behaviours etc. In other words, rather than ask ourselves how the sovereign appears to us in his lofty isolation, we should try to discover how it is that subjects are gradually, progressively, really and materially constituted through a multiplicity of organisms, forces, energies, materials, desires, thoughts etc". (Foucault, 1980, p97)*

Power does not happen in isolation. As Foucault explains in the above quote, power arises through a multiplicity of things, such as organisms, forces, energies, materials, desires and thoughts. Foucault believed that power/knowledge functions through discourse and that relations of power cannot be established, consolidated nor implemented without the production, accumulation, circulation and functioning of a discourse (Foucault, 1980).

- ***Power can come from anywhere***

> *"Power comes from below; that is, there is no binary and all-encompassing opposition between rulers and ruled at the root of power relations, and serving as a general matrix – no such duality extending from the top-down and reacting on more and more limited groups to the very depths of the social body". (Foucault, 1978, p94)*

Foucault believed that power did not follow rules or hierarchy, which is partly why his approach is so relevant to this thesis. In the same way that power does not exist without relationships, the way that power does not follow rules or hierarchy also can be explained by the 'web' concept, where power could flow up and down and also sideways. There is no set way or source in which power could be considered to only come from (Foucault, 1978).

- ***Powerful people are risk-takers***

> *"…this form of power applies itself to immediate everyday life which categorises the individual, marks him by his own individuality, attaches him to his own identity, imposes a law of truth on him which he must recognise and which others have to recognise in him". (Foucault, 1982)*

In the above quote, Foucault was discussing pastoral power, which is where people discipline themselves it gives them power (Kearins, 1996). This individuality and sense of identity are all associated with individuals taking risks, and gaining power by taking that risk (Foucault, 1982).

Foucault believed that powerful people are prepared to take a risk. Their confidence grows the more they are able to dominate the submissive person, and hence their power grows. Differences, peculiarities and deviances are in fact ever more highlighted in a system of controls concerned to seek them out (Foucault, 1982).

Power and confidence is attractive to people and many people have a desire for a strong superior or leader (Livingston, 1971). The manager who lacks power is in a disadvantageous position as he/she will often be uninspiring and viewed as weak, leading to a lack of ability to get subordinates, peers or superiors to act in the way in which the manager wants (Livingston, 1971).

- ***Power is accepted***

> *"…power is accepted…because it is not just a force that says 'no', but one that also produces things, induces pleasure, forms knowledge, enables discourse". (Hooper, 1992, p79)*

Hooper (1992) discussed how Foucault viewed the acceptance of power. He believed that power is accepted because it is a positive force that penetrates society and has more purpose than to solely repress. Hooper (1992) states Foucault as saying that the present form of power came into existence in the 18th century and began to exercise itself through both social production and social service. This helped obtain productive service from individuals. Power had to be incorporated into their bodies, acts, attitudes and behaviours, allowing significant methods like school discipline to condition minds and bodies.

Power is also accepted in that Foucault believed that there is no escape from the regimes of power and knowledge, and that the best we can hope for is to move from one regime of power and knowledge to another. This is viewed by some as a pessimistic belief (Niemark, 1990) but is thought to be realistic by this researcher and is supported by this thesis.

- ***Forms of power have evolved***

> *"…it began to be realised that such a cumbersome form of power was no longer as indispensable as had been thought and that industrial societies could content themselves with a much looser form of power over the body. Then it was discovered that control of sexuality could be attenuated and given forms". (Foucault, 1977)*

Forms of power have not remained static over time, and have evolved with the centuries. According to excerpts from interviews with Foucault (1972-1977), from the 18th to the early 20th century it was believed that the investment of the body by power had to be heavy, ponderous, meticulous and constant. This was shown through the formidable disciplinary regimes in the schools, hospitals, barracks, factories, cities, lodgings and families. This changed with the turn of the century when the concept of power in the past form was relaxed to a certain degree (Foucault, 1977). The idea that forms of power evolve over time is consistent with the aforementioned belief that power does not happen in isolation. As society evolves, power arises through a multitude of things, such as organisms, forces, energies, materials, desires and thoughts, all of which can be impacted upon by the state of society at that particular time.

- ***Rules of right and truth establish limits of power***

The 'rules of right' is a Foucauldian term which refers to the constraints society places on the use of power (Foucault, 1977). The rules of right establish limits or boundaries of power. Within the context of the case study in this thesis, rules of right are set down by the various policies and procedures within the Company. However, these rules may be changed or adapted according to those who have the power to make the changes, such as senior management. When this happens, it is typically to serve the interests of power as it relates to those particular individuals.

> *"Truth is produced by constraint, and it induces regular effects of power. Each society has its regime of truth, its 'general politics' of truth; that is the discourse which is accepts and makes function as true. Each society has its mechanisms to distinguish between true and false statements; the means by which each is sanctioned; the techniques and procedures which are accorded value in the acquisition of truth; and a way of establishing the status of those charged with saying what counts as true". (Hooper, 1992, p69)*

Truth as a concept applies to organisations just like it applies to society. Each organisation has its own regime of truth, which impacts how the effects of power are felt. A mechanism to distinguish between true and false statements for society might be a court of law, whereas within an organisation it could be the monitoring of subordinates by upper management. An organisation may enforce the true and false statements by rejection of work, unless it fully complies with a policy or procedure. Power is generated by those who are charged with saying what counts as true and those people who reject the work.

Truth is however, not particularly simple. According to Foucault (1980), truth is not simple but connected to society, economics and culture. All of these things have an impact on the truth and how it emerges.

2.2.1.1.2 SUMMARY OF FOUCAULT'S BELIEFS ON POWER

As described in Table 2, Foucault had numerous and specific beliefs on the concept of power and what power is (Foucault, 1980). In summary, as sourced from various works (Foucault, 1977, 1980, 1988) his main beliefs were:

- Power is totally dependent on relationships

- Power is everything
- Power relations are both intentional and non-subjective
- Power needs to be hidden
- Where there is power, there is resistance
- There is no such thing as potential power
- All relationships are a chance to exercise power
- Power does not happen in isolation
- Power can come from anywhere
- Powerful people are risk takers
- Power is accepted
- Forms of power have evolved
- Rules of right and truth establish limits of power

The implications of these beliefs are in the opinion of the researcher, quite far-reaching and how power impacts upon things such as hierarchy, institutional norms and interpersonal relationships are discussed in the sections following within this chapter.

2.2.1.2 POWER AND HIERARCHY

> *"Power masquerades as a supposedly rationalist construction of modern institutions, a regime of truth which induces and extends the effects of power". (Foucault, 1980)*

Within the case study, which is examined within chapters five and six of this thesis, it became clear to the researcher that the Company, as a modern institution, had its own regime of 'truth' which induced and extended the effects of power. This regime was attributable to individuals and their power relationships within the organisation, as well as institutional norms which are discussed in section 2.2.1.3. following. The concept of power and hierarchy, and how they may or may not inter-relate is important to address within this thesis, as one of the research questions asks whether there is a relationship between power and hierarchy.

From a Foucauldian perspective, it is believed that power flows in all directions – up and down as well as sideways - making it truly multidirectional (Foucault, 1980). In this sense, power is like a 'web' where power relationships are neither fixed, nor are they always top-down (Foucault, 1980). As stated in the section above, power must be analysed as something that circulates (Foucault, 1980).

Workers could exercise relationships of power over their managers, as they also could exercise power over people of the same level within a hierarchy. This viewpoint is extremely relevant to this thesis, as the case study seeks to highlight how a structured hierarchy does not necessarily lead to an identical structure of power, as this is dependent on the power relationships between the people involved, and other factors such as culture.

The concept of power links very strongly to the decisions made to the workflow within and around the Finance Department within the case study, as a result of a change process.

> *"Power masquerades as a supposedly rationalist construction of modern institutions, a regime of truth which induces and extends the effects of power". (Foucault, 1980)*

When a department experiences major changes, like the Finance Department of the Company within the case study of this thesis did, the changes were promoted by management as being 'for greater efficiencies'. Foucault said that claims of efficiency being the trigger for change is just a mask really, and underneath it, all individuals care about is power (Kearins, 1996). Therefore, under a Foucault mindset, the changes that were made within the Finance Department in the case study were made so that the change makers increased their power.

> *"It is in unmasking how power is exercised that we reveal the possibilities for resistance and hence, maybe, even, variety in organizational forms". (Kearins, 1996, p18)*

2.2.1.3 POWER AND INSTITUTIONAL NORMS

Institutional norms are important to consider alongside power and hierarchy, as in the opinion of the researcher, these all help give a more complete overview of how an organisation experiences power. Institutional norms are the by-products of the social system within an organisation, which reflect the organisational properties as a whole rather than the social psychology of individuals within the organisation (Foucault, 1980).

Power is located in a generalised system of beliefs or values (Hiley, 1987), which can be described as norms.

> *"It dominates not so much by the direct exchange of power of one individual over another but indirectly at the level of the beliefs and values*

that structure the field of possible decisions and behaviour". (Hiley, 1987, p350)

As described by Hiley (1987), as norms dominate, they are not typically challenged, rather implicitly accepted without contest or dispute by members of the organisation.

It is common for departments within organisations to have their own set or sub-set of institutionalised norms. Power may be exercised by individuals or groups either consciously or unconsciously (Lukes, 1974). This is very relevant to this thesis as the Finance Department which is studied has its own set of institutionalised norms that are unreservedly accepted by people within the Finance Department. These institutional norms link very strongly with organisational culture.

Institutions and institutional norms give individuals confidence so that they are more robust with their power than they would be normally on an individual level (Foucault, 1980). In a sense, it is often felt that with the organisational norms 'standing behind' someone, they have much more assurance within themselves than if they were on their own.

> *"The use of Foucault's genealogical method permits an historical understanding of how power has come to be exercised in individual organisations. The emphasis is on organisational processes – how power is instantiated in the routine discursive practices of everyday organisational life – in particular how organisational practices function in both a more formal and overt as well as more subtle and discreet ways through the techniques of discipline, surveillance and normalisation to constitute individuals as organisational subjects". (Kearins, 1996, p17)*

2.2.1.4 POWER AND KNOWLEDGE

Foucault linked the concepts of power and knowledge in his book 'Power/Knowledge' (1980).

> *"There is, however, a tendency even within Foucauldian analysis to conflate power and knowledge, although there are attempts within Foucault's work to recount in specific instances how the two interrelate". (Kearins, 1996, p18)*

Foucault's ideas of power and knowledge, and how the two interrelate, state (Foucault, 1980) that in fields of specialised knowledge, individual actions are governed by the components of the power structures themselves. In simple terms

this means that without structures in place, specialised knowledge would not exist. For example there cannot be criminology without prisons, forensic DNA without police, and medicine without hospitals. Understanding within these fields of knowledge is manufactured within these structures (Foucault, 1980). Having specialist knowledge allows the individual who possesses it, to have a unique power and consequently control, which is how the two concepts inter-relate. Knowledge is not possible without power and conversely, power is not possible without knowledge.

> *"He (Foucault) considered not only how knowledge enabled the exercising of power but also how power tends to generate systems which produce knowledge". (Hooper, 1992, p72-73)*

However, despite power generating systems which produce knowledge, Foucault acknowledged that there were difficulties associated with this (Foucault, 1980). Foucault (1980) believed that if one took a form of knowledge, like psychiatry, the question of knowledge would not be easier to resolve as the epistemological profile of psychiatry is a low one and psychiatric practice is linked with a whole range of institutions, economic requirements and political issues of social regulation. Certain empirical forms of knowledge like psychiatry, do not follow the smooth, continuist schemas of development which are normally accepted (Foucault, 1980).

2.2.1.5 SEXUAL POWER

Foucault believed (as stated within Table 2 in section 2.2.1.1.1 of this thesis) that power at its most basic can be viewed as sexual power. Sexual power is where an individual uses their sexuality, not necessarily in an overt way, to get what they want.

> *"Power is essentially what dictates its law to sex. Which means first of all that sex is placed by power in a binary system: licit and illicit, permitted and forbidden. Secondly, power prescribes an 'order' for sex that operates at the same time as a form of intelligibility: sex is to be deciphered on the basis of its relation to the law. And finally power acts by laying down the rule: power's hold on sex is maintained through language, or rather though the act of discourse that creates, from the very fact that it is articulated, a rule of law". (Foucault, 1979, p83)*

Sexual power, and all it embodies, is not easily deciphered (Foucault, 1979). The difficulty arises because the knowledge to be gained from sex and the right to speak about it, becomes legitimately associated with the honour of a political

cause (Foucault, 1979). Sexuality is not the most intractable element in power relations, but rather one of those endowed with the greatest instrumentality: useful for the greatest number of manoeuvres and capable of serving as a point of support for the most varied of strategies (Foucault, 1979).

Throughout history, it could be said that men find it difficult to resist the feminine power of sexuality. Plays such as William Shakespeare's 'Othello' (1604) and 'Hamlet' (c. 1600) demonstrate how female sexuality and beauty are a threat to patriarchal society and must be controlled. Both of these plays emphasise the power that arises from female sexuality and how this power can be used to drive men to extreme measures. Real life need not be as dramatic as Shakespeare's plays, but this does not mean to say that sexual power, either by a woman or a man, can impact upon and cause different behaviours.

Attractiveness is often considered a sub-set of sexual power, in that it takes some attractiveness to have sexual power (Hamermesh, Engermann & Owyang, 2006). Numerous studies have been done around the globe with the intention of uncovering the impact of attractiveness on individuals' abilities to hold jobs or their remuneration packages, among other things (Hamermesh, Engermann & Owyang, 2006). Research conducted by Daniel Hamermesh (2006), an economist at the University of Texas, and Jeff Biddle (2006), an economist at Michigan State University, concluded that looks are a key element in earning power when demographics and job types were held constant. The study was completed in the mid 1990's and found that unattractive women are less likely than their average or good-looking counterparts to hold jobs and are more likely to be married to men with what the researchers call 'unexpectedly low human capital' which is a catch-phrase for little talent, drive or prospect of success (Hamermesh, Engermann & Owyang, 2006).

According to the same article published in Forbes (October, 2006), other researchers have found that young obese women earn 17% less than other women within the recommended Body Mass Index range. Another finding in the article was that some research has found that there's a premium for height, and that taller men generally earn higher pay than their average or short counterparts, including men in top management positions such as that of chief executive officer.

There are also claims that productivity can be impacted by appearance. A research paper was done for the Federal Reserve Bank of St. Louis by Kristie Engermann and Michael Owyang (Hamermesh, Engermann & Owyang, 2006) exploring this.

> *"Certain characteristics, such as appearance, might affect productivity in ways that are not easily measured (or as obvious) as are other characteristics like education or experience. Appearance, for example, can affect confidence and communication, thereby influencing productivity". (Hamermesh, Engermann & Owyang, 2006)*

When considering all of the different factors which contribute to one's attractiveness, it is possible that the term 'sexual power' is too limiting and narrow to really encompass the concept of attractiveness. To try and capture the idea that charm, personality and intelligence along with sexual attractiveness all bundle together, the researcher has used the term 'interpersonal power' to embody the overall package of all of these concepts.

When considering individual's power rankings, it is important to be aware of their sexual power and attractiveness in that it can impact upon how the individuals are perceived and also can send out strong signals about their power ranking.

2.2.2 POWER AND GENDER

Interpersonal power, and the impact that it can have on an individual's own power relationships, is also closely linked with gender differences and associated theories such as the 'glass ceiling' theory (Marx, 2006). The 'glass ceiling' effect, power dressing, women, power and change are all discussed in the sections following.

2.2.2.1 THE 'GLASS CEILING' EFFECT

In the much studied field of gender differences, it is now a commonly held belief that there is a general natural difference between genders which makes the sexes fundamentally different (Hull and Umansky, 1997). It could be considered by some people that correspondingly, the sexes have different power structures. The differing power structures is a concept which is very relevant to this thesis. By gender stereotyping, it makes it easier to predict, classify and address individual and organisational reactions to change.

In situations where is it believed that gender differences impact upon a woman's ability to progress through the hierarchy of an organisation, it is commonly referred to as 'the glass ceiling' effect (Marx, 2006). The saying has arisen from the lack of physical barriers (or in the cases of most organisations, written or overtly verbalised barriers) within an organisation, but the reduction or difficulty for a woman to progress up the organisational career ladder because of her gender related differences (Hull and Umansky, 1997).

Research into gender related differences and why gender related differences give rise to the 'glass ceiling' effect and result in women struggling to gain an equal foothold in the corporate world is on the increase (Hines, 1992; Grant, 1988; Marx, 2006). Numerous theorists, such as Grant (1988) and Hines (1992) say that certain typically feminine characteristics are viewed as negative or inappropriate in the business world, and that this is the reason that it is more difficult for women to progress into management positions. Characteristics that are viewed as negative might be emotionality, strong family attachments or bonds, balancing commitments, lack of aggression and assertiveness, and communication differences (Hull and Umansky, 1997).

The extent of the 'glass ceiling' effect is likely to differ between countries. For example, in the subjective opinion of this researcher, there appears to be less of a 'glass ceiling effect' in New Zealand compared to the perceived high 'glass ceiling' effect in the Netherlands. In New Zealand, it is not unusual for women to hold high ranking jobs alongside men like Theresa Gattung, CEO of Telecom. There is also a strong influence of women in politics within New Zealand, with the country having two woman Prime Ministers in the past decade (Helen Clarke and Jenny Shipley) and a woman Governor General, (Dame Kath Tizzard). In the opinion of the researcher, through observation in the Netherlands it appeared in that women are seen as being homemakers first and foremost, with very supportive maternity leave processes in place in most organisations which encourages women to work part-time or not work at all, consequently potentially impeding their progression up the organisational hierarchy.

Considering the glass ceiling effect can impact upon the ability of a woman to progress through the hierarchy of an organisation, it is important to consider how this might impact power experienced by women. The following section, 2.2.2.3 is going to discuss the link between women, power and change, with a focus on the work of Hull and Umansky (1997).

2.2.2.1.1 POWER DRESSING

'Power dressing' or dressing in 'power suits' is a term which was coined in the 1980's where an individual wears an expensive, smartly cut outfit (usually a suit) with sharp, hard lines that were destined to make people look assertive and angular (Russell & Reynolds, 1992). The power suit was an attempt to conform to the corporate mould as well as externalise an individual's desire for power whilst giving the impression of competence and efficiency.

Power dressing can play a big part in a person's appearance and can be important in terms of adding to their sexual attractiveness. If a power suit makes an individual feel more powerful, they are more likely to act more confidently and have a different demeanour than if they were dressed casually for work, which could be construed as being consequently uncaring about their appearance to others (Russell & Reynolds, 1992). Power dressing is a clear message to those around the individual that they wish to be taken seriously in their work (Russell & Reynolds, 1992).

2.2.2.2 WOMEN, POWER AND CHANGE

Due to the above mentioned 'glass ceiling' effect, there is an important link between women and power which in turn could impact an organisations culture and also ultimately how a reengineering process eventuates.

Hull and Umansky (1997) discuss how revisionist thinking argues that stereotypes of masculinity and femininity are simply traits that are associated with one gender having power and the other gender being denied power.

> *"Warm, sensitive, dependent, passive, emotional, cooperative, supportive. It is becoming clear to psychologists that the old string of adjectives describing someone is not so much a description of femininity as it is of a social and psychological state of powerlessness. And the opposite adjectives generally applied to men – aggressive, active, cold, task-orientated, competitive, intellectual, objective, independent – do not represent masculinity per se, but more accurately describe the attributes of a person in possession of power…". (Hull & Umansky, 1997)*

Hull and Umansky (1997) go on to say that because woman lack the above attributes of someone in possession of power, it can impact how effective they are as leaders, and hence women are treated differently in positions of

management. This is relevant to this thesis in so far as that it is important to understand why women may lack power (creating the 'glass ceiling' effect), and also how the link between gender and power could impact the change process in this thesis.

2.2.3 RESISTING POWER

Although the individual who exercised the power was not of interest to Foucault (he did not believe that power always followed hierarchy), how the power was exercised was definitely of interest. Foucault often referred to the 'how' of power as 'struggles' (Foucault, 1980).

Power is not only generated through relationships, it is also exercised through relationships. Foucault believed that although there was no set structure for power to be exercised, power could not either arise or be exercised in isolation (Foucault, 1979).

Foucault believed that where there is power, there is resistance (Foucault, 1980). Conflicts, arguments and hostility can all be the results of resisting power, as well as resisting change. Understanding why the resistance has arisen in the first place is vital before deciding how to successfully overcome the resistance. It is unrealistic in this researcher's opinion to believe that it is possible to avoid resistance to change in the future within a large multi-national organisation. However, increased awareness of why resistance might arise and how it could be mitigated will help ensure that response times and strategies to overcome the resistance follow shortly after or preferably before the resistance has had a chance to reach its full extent, minimising the impact of the resistance.

Resistance does not necessarily need to be negative. An example of how resistance can be positive is where an individual may exert resistance which reduces the flow of work to another individual but gives an overall benefit as this 'hindered' individual impairs workflow and more is achieved if they are not involved.

If within the case study in this thesis, women experience a lack of power, then they are less likely to 'impact' upon the change process, and consequently the results and outcomes of the change process. If they experience a lack of power, then they are less likely to feel supportive of the changes and could consequently

be more inclined to resist change than their male colleagues. It is also important for the change makers to take into account the differing attributes of power as described applying to different genders as understanding the social and psychological states of power give insight into how individuals have accumulated power and which individuals have the power. These individuals are then likely to be targeted to champion the change process and use their power to take other less powerful colleagues along with them.

For women to overcome or counteract a lack of power within an organisation, it often means that their feminine qualities or characteristics must be subdued to allow them to be seen as more able to fit into the leadership mould.

> *"For many women, then, being successful in an organisation means suppressing or eliminating attitudes and behaviours that would identify them as 'typically female' and therefore as ill-suited for leadership roles...". (Grant, 1988, 56-63)*

This is not to say that research on gender differences has consistently shown that gender differences exist. Research done by Morrison and Von Gilnow (1990) found that there was evidence that existed that showed that women and men in management have similar aspirations and behaviours, although this does not convince the researcher that the sexes have similar measures of power. Morrison and Von Gilnow (1990) also state that more research is needed into how organisational culture impacts upon gender discrimination and the differing treatment of the sexes.

2.3 STATEMENT OF RESEARCH QUESTIONS

The case study looks at the individuals studied from a Foucauldian perspective. The research questions and consequential findings, addressed through case study on the Company's Finance Department, will not be universally applicable to other departments or organisations as they are specific to the individuals within that particular Department of that particular Company.

The significant outcome of the case study is an understanding of power, hierarchies and resistance of both the workers and the managers involved from a Foucauldian perspective. It is anticipated that power strategies employed have had a significant impact on the workflows of these individuals. It is also

anticipated that the power strategies have created resistance within some individuals as well.

The research questions specified in section 2.4.1 detail the specifics of what needs to be investigated so as to produce relevant results. They should also direct the researcher to establishing an understanding of the power struggles and flows between the individuals involved from a Foucauldian perspective. It is anticipated that investigation of these questions will also highlight answers to sub-questions within the broader questions. Examples of these sub-questions are: what are the power rankings for individuals within the Finance Department, and has these individuals helped or hindered the change process? Another sub-question would be how had certain individuals, managers and workers, behaved and why had they behaved in this way? Can understanding their behaviour, help conclude how that behaviour might have been controlled or changed? Has this behaviour differed when comparing past, present and predicted future behaviour? All of these questions are critical when trying to piece together the 'bigger picture'.

2.3.1 RESEARCH QUESTIONS

The research questions from a Foucauldian perspective are as follows:

Question 1: Do power relationships follow hierarchies?

Question 2: How do power relationships impact individuals, hierarchies and workflows?

Question 3: What impacts upon and influences power relationships, and how can this create forms of resistance?

How these research questions are addressed in terms of the case study method selected, and the triangulation approach (Gillham, 2000) of dual methods of interviews and observation, is discussed in detail in the following chapter.

2.4 SUMMARY

This chapter has performed a literature review on power with a particular focus on Foucault and his beliefs about power. This chapter is important to the research

as it explains the fundamental principles of power which have been adopted by the researcher in her analysis of the case study and observation outcomes.

The purpose of the research is to evaluate and critically analyse from a Foucauldian perspective the power relationships which exist within the hierarchies between the management and workers studied. The impact of the power as it relates to each individual studied will also be evaluated in terms of impacts on workflow, hierarchy and resistance.

In order to be able to analyse the power relationships within the case study in chapters five and six of this thesis, this literature review of power from a Foucauldian perspective was fundamental. The understanding that arose from the literature review of the following key points will be applied to the case study.

- Power is totally dependant on relationships
- Power is everything
- Power relations are both intentional and nonsubjective
- Power needs to be 'hidden'
- Where there is power, there is resistance
- There is no such thing as 'potential' power
- All relationships are a chance to exercise power
- Power does not happen in isolation
- Power can come from anywhere
- Powerful people are risk-takers
- Power is accepted
- Forms of power have evolved
- Rules of right and truth establish limits of power
- Gender can play a role in individuals experiencing power
- The 'glass-ceiling' effect can have a detrimental impact on women and power

The objective of the thesis is to address the research questions which are shown in section 2.4 within this chapter. These research questions will be analysed from a Foucauldian perspective taking into account the above findings of the literature review. The researcher believes, as does Kearins and Hooper (2002), that:

"Foucauldian-inspired methodology is applicable to the task of analysing power relations implicit in accounting contexts". (Kearins & Hooper, 2002)

The Foucauldian insight into power relationships overlays the interpretative methodology and the case study and observation methods used. The interpretative methodology used is now discussed in more detail in the following chapter.

3 RESEARCH METHODOLOGIES

3.1 INTRODUCTION

As highlighted in the literature review within chapter two, understanding how power is exercised in relationships is very important when considering why individuals act and react in different ways. The actions and reactions all influence hierarchies, workflow and resistance, which forms the basis of this thesis. Prior to discussing the case study and all the findings, the choice of methodologies and methods must be explored. The methodologies must be applicable to a study of power from a Foucauldian perspective.

This research falls under the accounting research umbrella because it is a study of a Finance Department, and whilst the findings could be in part generalised to apply to other departments, they relate to how a Finance Department is impacted upon by power relationships which impact in turn upon individuals, hierarchies and workflows. This is important from an accounting research perspective as understanding the resistance that may arise within the department, allows a greater comprehension of how these resistances might be overcome or managed more effectively, which would allow the Finance Department to work more efficiently.

The objective of this section of the thesis is to explore three different methodologies within the context of accounting research, being the functionalist, interpretative and critical, to make a decision about the most appropriate one for the objectives of the research. Reasons for the choice in methodology will be discussed, along with how they link to the research questions. The difference between methodology and method is that the methodology is the thinking approach, whilst the method is how the research is performed under that thinking approach. The current section will then lead into chapter four following, which discusses the methods used for the research as guided by the methodologies.

3.2 RESEARCH QUESTIONS

The aim of this thesis is to evaluate from a Foucauldian perspective the power relationships which exist within the hierarchies between management and workers who work either for the Finance Department or closely with it, and to analyse the outcomes of these power relationships in terms of resistance to

change. The case study is a Foucauldian insight into key individuals with an evaluation of their roles and how their differing power structures impact upon the workflow within the Finance Department.

The objective of the thesis is to further explore the selected research questions. As discussed in section 2.4.1, the research questions which are from a Foucauldian perspective are as follows:

Question 1: Do power relationships follow hierarchies?

Question 2: How do power relationships impact individuals, hierarchies and workflows?

Question 3: What impacts upon and influences power relationships, and how can this create forms of resistance?

As the overall objective of the thesis is to address these research questions, it is fundamental that the research questions are taken into consideration when deciding which methodology would be the most appropriate to use.

3.3 KEY DEFINITIONS

It is important to define terminology that arises when analysing accounting research methodologies. This is because without clear, concise definitions, the meaning of the terms used may be lost or misinterpreted. In a subject where so much complex specialist terminology is used, in order to avoid confusion and vagueness, terms that the researcher feels are important to clarify are defined in this section. These terms are important to define as they are frequently used throughout the thesis and without a concise definition, they could be misinterpreted by the reader.

To define what ‘knowledge’ is, is no easy task. According to Cooper & Hutchinson (1997), Plato had some influential opinions on the nature of knowledge and learning. Plato stated that knowledge is essentially justified true belief. This was considered to be an influential belief which shaped future developments in epistemology (Cooper & Hutchinson, 1997).

‘Understanding’ is a concept closely related to the one of ‘knowledge’, as they exist with each being dependent on the other. As defined by the Colins Concise Dictionary (1988), ‘understanding’ is to know and comprehend the nature or meaning of a subject.

According to the Dictionary of Philosophy (1979) the term ‘theory’ means a statement that can be proven; that is, that occurs as the conclusion of an argument constructed according to the rules of the system and for which there are no premises. When applying this term to accounting theory, it could be said that the aim of accounting theory is to provide a coherent set of logical principles (the conclusions of the argument) that form the general frame of reference for evaluation and development of sound accounting practices (the rules of the system) (Matthews & Perera, 1996). This researcher believes that in many ways, this definition can be applied to the purpose of research methodology. It can be applied in that the research methodology will hopefully provide a coherent set of logical principles that form the general frame of reference for evaluation and development of the content under research. According to Collis & Hussey (2003), the methodology refers to the overall approach to the research process, from the theoretical underpinning to the collection and analysis of data.

> *“Like theories, methodologies cannot be true or false, only more of less useful”. (Silverman, 2000, p2)*

The functionalist accounting approach is an ‘umbrella’ under which many terms for the basic belief exist. The functionalist has also been called the mainstream method and the scientific method (Chua 1986; Laughlin 1985). According to Hopper & Powell (1985), under functionalist accounting, two streams of thought also exist: positivism and empiricism. Laughlin (1985) discusses the instrumentalist and positivist perspectives which are typical of mainstream accounting research. Although it is argued that these terms vary in specifics, in the whole their nature is the same and for the purposes of this report, the terms ‘functionalist’, 'mainstream’, or ‘scientific’ have been used to encompass this approach.

3.3.1 INDUCTIVE APPROACH TO THINKING

The inductive approach to thinking involves a process of drawing relationships and conclusions from a large number of observations (Chalmers, 1982). This implies that providing that certain conditions are satisfied, it is legitimate to

generalise from a finite list of singular observation statements to produce a universal law. The principle of induction according to Chalmers (1982) is as follows:

> *"If a large number of As have been observed under a wide variety of conditions, and if all those observed As without exception possessed the property B, then all As have the property B". (Chalmers, 1982)*

Inductive thinking is a very scientific way of measuring phenomena and is often quantifiable in that things are observed and measured, then conclusions are drawn (Chalmers, 1982). However, inductive thinking is based on current times, and just because a finding has held true in the past does not mean that the finding will necessarily hold true in the future. Hume (1711 - 1776) was one of the first philosophers to raise this as a problem with induction (Chalmers, 1982).

Another flaw in the inductive thinking process is that observations are often co-relational and not causal. This means that observations do not necessary legitimise the findings or the resulting conclusions. From here, it would appear that the only retreat for the inductivist thinker is to use the defence of probability (Chalmers, 1982). The inductivist runs into problems in quantifying exactly how probable a law or theory is in the light of the observations. This problem cannot be overcome if the inductivist wishes to make a universal law in contrast to an observational statement.

> *"Any observational evidence will consist of a finite number of observational statements, whereas a universal statement makes claims about an infinite number of possible situations". (Chalmers, 1982, p18)*

As a result, to find the probability of being able to make a universal generalisation will always remain zero no matter how many observational statements are made (Chalmers, 1982).

3.3.2 DEDUCTIVE APPROACH TO THINKING

The deductive thinking approach is where the starting point is from the abstract or the objectives and postulates, moving to the practical applications and rules via logical reasoning. When this approach is applied to accounting, deduction is thinking about how accounting should be and what makes accounting work. It is a 'high level' way of thinking where the thought process starts at the top thinking

about the aims, and then considers the lower levels or the outcomes (Chalmers, 1982).

The process of deduction involves setting goals, defining the parameters of the model or the boundaries as postulates, thinking about reasoning constraints, attaching symbols to the thought process, then producing generalised statements or principles and applying these principles to specific cases to establish procedural rules and methods (Chalmers, 1982).

A characteristic of the deductive process is that it is starts from a 'completely blank' starting point, where preconceptions do not taint the initial theorising about aims or purposes. Once these objectives or aims have been established, then definitions can be derived in a logical way (Chalmers, 1982). Unfortunately, although an unbiased, 'blank' starting point is sought, our ability to gain or obtain knowledge can be restricted by our beliefs and assumptions, which in turn dictates the way that we see and research the world.

> *"Given this mutually interactive coupling between knowledge and the human, physical world, the production of knowledge is circumscribed by man-made rules or beliefs which define the domains of knowledge, empirical phenomena, and the relationship between the two". (Chua, 1986, p604)*

Often the researcher is tainted by their own experience and background which gives rise to inherent preconceptions that are ingrained within them (Kirk & Miller, 1986).

3.4 HISTORY OF NEEDING ACCOUNTING RESEARCH

3.4.1 WHY DO WE NEED ACCOUNTING RESEARCH?

The thirst for knowledge is not about to be quenched in a hurry, if history holds to be true. For many centuries the world over, people have prided themselves in the effort to find out and know what is 'true'. However, finding what is 'true' that holds for more than one person requires research. Although research does not guarantee that the findings will necessarily be 'the truth' and hold to be 'true' into the future, without research validation of the findings is less justifiable (Silverman, 2000). Perhaps as suggested by Hines (1988) there is no such thing as the 'truth' although a reality does exist, because we as humans create reality.

3.4.2 PAST TRENDS, BELIEFS & INFLUENCES IN ACCOUNTING RESEARCH

History has shown that there is a divide between philosophers that believed in a more inductive way of thinking as compared to a more deductive way of thinking. For example, Aristotle (384 - 322 $_{BC}$) believed that no man could ever learn anything in the absence of sensation. Being a classic believer in science and mathematics, Aristotle thought it best if a researcher got into the situation and observed (Chalmers, 1982). Democritus (c.460 - c.370 $_{BC}$) also believed in the importance of induction and argued that his own legitimacy of knowledge was derived from sense perception (Chalmers, 1982). Auguste Comte (1798 - 1857), a French positivist philosopher, believed that facts alone were valid objects of knowledge, and science is the only means of acquiring knowledge (Chalmers, 1982). Claude Henri de Rouvroy (1760 – 1825) believed that it would be best if an industrial society was created whose material and spiritual direction was be in the hands of scientists (Chalmers, 1982). In comparison, Plato (c.428 – c.348 $_{BC}$) a Greek philosopher, argued that thinking metaphysically "ought to be", forms constructs. He was a heavy believer in contemplation and thinking about things in a very deductive way (Chalmers, 1982).

As illustrated above, the large number of philosophers who believed in the inductive and more scientific approach shows that the move in philosophy of science was from the contemplative to the operative. This trend has continued on into modern day. Many researchers and philosophers tend to be more inductive in thinking than deductive, although there is much to be learned from deductive thinking (Chalmers, 1982).

Consideration must also be given, not only to the past trends and beliefs in schools of thought that would affect accounting research, but also to influences that have affected these beliefs. The question must be asked, 'has accounting research been guided by a 'dominant' set of assumptions, or a 'divergent' set of assumptions?' (Chua, 1986). Firstly, the differences between a 'dominant' set and a 'divergent' set should be defined. The 'dominant' set of assumptions in the context of accounting, is where one set of assumptions, beliefs or theories are accepted by the majority of the accounting community and often not challenged, as they are assumed to be correct and truthful (Chua, 1986). A 'divergent' set of assumptions is epitomised as having contrasting and contradictory assumptions within the set (Chua, 1986).

It could be argued that accounting research has been guided by a 'dominant' set of assumptions rather than by a 'divergent' set (Chua, 1986). According to Chua (1986), this is due to the dominance of the general scientific viewpoint of the world by both practitioners and theorists, even though this viewpoint contains theories that may appear to be different or even conflicting. The importance of deciding how accounting research has been guided lies in the fact that awareness of how these sets of assumptions are constructed enables critical analysis of how these sets of assumptions may be limited or limiting. If one set of assumptions is accepted without critical analysis, then the research insights that are gained will not be as valuable, reliable or as accurate as they might have otherwise been with the awareness of limitations. Herein lies the importance of analysing alternative world views to challenge assumption sets under the general scientific viewpoint.

> *"Not only are these alternative world views different, they can add to potentially enrich and extend out understanding of accounting in practice". (Chua, 1986, p602)*

3.5 RECENT CLASSIFICATIONS IN ACCOUNTING RESEARCH

As discussed in the previous section of this chapter, understanding that alternative world views exist is important when considering what sets of assumptions relate to different viewpoints (Chua, 1986). Accounting research can be analysed via different classifications that various researchers, such as Burrell and Morgan (1979), have adopted.

There have been a number of recognised recent classifications in accounting research from various researchers including Watts and Zimmerman (1990), Lowe Puxty and Laughlin (1983), and Burrell and Morgan (1979). This section will briefly discuss the findings of Burrell and Morgan (1979) as their work is representative of the development of thinking generated from this specific descriptive era.

Burrell & Morgan (1979) produced some sociological work that embodied a more comprehensive analysis of accounting literature than what had been done in the past. Burrell & Morgan created a framework by which they classified accounting literature according to assumptions it makes about social science, assumptions

about how people view the social world, and assumptions that it makes about society.

> *"Social science assumptions include assumptions about the ontology of the social world (realism v. nominalism), epistemology (positivism v. anti-positivism), human nature (determinism v. voluntarism), and methodology (nomothetic v. ideographic)". (Chua, 1986, p603)*

According to Burrell & Morgan (1979), these four concepts are central to the framework and therefore must be defined. Ontology is the assumption of whether reality is what everyone sees or what you individually see. It is concerned with whether reality is external or the product of individual consciousness. Epistemology is the assumption about the grounds of knowledge, how one understands the world and communicates it to others. It is concerned with what the nature of knowledge is; whether it is soft (i.e. spiritual) or hard (i.e. factual). The third assumption concerns human nature and asks whether humans are conditioned by external circumstances or does man create his own destiny. All three of the assumptions described, impact on the fourth one of methodology. This is to do with how knowledge is investigated and actually obtained and whether it is done by taking a 'hard' or a 'soft' approach.

Assumptions about society are characterised as either orderly or subject to fundamental conflict. Burrell & Morgan (1979) believe that these two sets of assumptions yield four paradigms – functionalist, interpretative, radical humanist and radical structuralist. These four paradigms are based on fundamental assumptions that are made about the nature of society and social science. Each paradigm is founded on mutually exclusive views of the social world. The way in which you view the world is dependent on which particular paradigm you are located in, and which paradigm you are located in is a result of the underlying assumptions you have about the social world.

According to Burrell and Morgan (1979), a person's assumptions about the nature of society will not only revolve around either the theory of 'order' or the theory of 'conflict' but also around 'regulation' and 'radical change'. The 'order' or 'intergrationalist' view of society emphasises stability, integration, functional co-ordination, and consensus. The 'conflict' or 'coercion' view of society emphasises change, conflict, disintegration, and coercion. The sociology of 'regulation' is concerned with the status quo, social order, consensus, social integration and cohesion, solidarity, need satisfaction, and actuality. The sociology of 'radical

change' is concerned with radical change, structural conflict, and modes of domination, contradiction, emancipation, deprivation, and potentiality.

These four paradigms have some shared characteristics, but separate perspectives that are fundamentally different. To be located in a particular paradigm is to view the world in a particular way. One can change from viewing one paradigm to another, but can't operate in two at once (Burrell & Morgan, 1979).

Kuhn (1962) has critically analysed the Burrell & Morgan (1979) framework, and believes that it is flawed for several reasons. Firstly he believes that the assumptions are presented as strict dichotomies, where in reality humans beings are not necessarily able of being purely 'black or white' creatures, but many shades of grey in-between. The framework also does not take into account that societies can be viewed as autonomous from individuals, and can be viewed as a result of individual actions which continually reproduce and transform society. Another criticism Kuhn has of the framework is that Burrell & Morgan embrace a strong relativistic notion of scientific truth and reason yet this is in conflict with their agreement to Kuhn's suggestion that a decision based on rational scientific grounds, cannot be made on the choices and evaluation of paradigms.

> *". . . they appear to accept Kuhn's argument that there is no trans-historical, neutral, permanent language (set of criteria) for evaluating scientific theories". (Chua, 1986, p627)*

Despite this strong relativistic belief in scientific truth, Burrell & Morgan (1979) accept that it is possible for a completely neutral framework or language to exist that would enable comparison of paradigms. Burrell & Morgan has also been criticised by philosophers of science (Bernstein, 1983; Rorty, 1979) for being 'relativist' in that they assume that their position is true, but also argue that truth is relative so what is considered to be the 'truth' may also be 'false' to someone else.

In this researcher's opinion the Burrell & Morgan (1979) framework is an important step in the development towards an understanding of how accounting researchers should think. Without people like those in history who have taken a risk, communicated and endorsed their ideas, which may or may not be flawed, then others would not be provoked to think critically and then consequently

develop a theory that they believe is improved. It is this cycle of continually seeking improvement is what ensures the evolution of knowledge.

Appendix 1 provides a brief summary of the recent history of accounting research to illustrate the evolution of classifications of theories in a general sense (Matthews & Perera, 1996).

3.6 THE DIFFERENT ACCOUNTING RESEARCH METHODOLOGIES

> *"Accounting, it appears, remains in the throes of a 'scientific revolution'". (Chua, 1986, p602)*

The different accounting research classifications as discussed in the previous section, lead on to the different accounting research methodologies. The different classifications lend themselves heavily towards one of the three accounting methodologies that are going to be discussed within this chapter.

This 'scientific revolution', as referred to in the above quote, is the result of copious debate between academics and practitioners about how they view accounting as a discipline, and also how the gap between theory and practice can be bridged (Chua, 1986). There are many opinions as to how accounting research has been guided, and should be guided, and therefore different many approaches to research in accounting have arisen, which are discussed below.

There are basically three main approaches to accounting research: the functionalist, the interpretative and the critical methodologies. The following section of this thesis discusses all three of these approaches, their qualities, limitations and their characteristics in detail. This was an important step in evaluating the different methodologies to enable the researcher to then make a decision as to which methodology would be most suitable in addressing the research questions.

3.6.1 FUNCTIONALIST ACCOUNTING APPROACH

The following sections explore the beliefs about physical and social reality, knowledge, the social world, and theory and practice from a functionalist accounting approach. The various limitations associated with the functionalist

approach are then discussed in section 3.6.1.5 and a summary of the previous sections on beliefs is shown in section 3.6.1.6.

3.6.1.1 BELIEFS ABOUT PHYSICAL & SOCIAL REALITY

Functionalist accounting is a scientific approach which believes that the world of objective reality exists independently of humans, that humans do not make the world go around, and that the world follows logical patterns (Tinker, 1975).

> *"People are not seen as active makers of their social reality". (Chua, 1986, p606)*

This belief means that knowledge is presumed to be separate from the person that knows that knowledge. Like other empirically based discourses, knowledge seeks to mediate the relationship between people, their needs and their environment (Tinker, 1975). This gives rise to the possibility that all knowledge could be learned by anyone and everyone in the world, as no knowledge is 'created' by one person's reality.

3.6.1.2 BELIEFS ABOUT KNOWLEDGE

> *"There is a world of observation that is separate from that of theory, and the former may be used to attest to the scientific validity of the latter". (Chua, 1986, p 607)*

Chua (1986) states that this belief in empirical testability has been articulated in philosophy in two main ways: confirmation (positivism) and falsification. Positivists believe that a theory-independent set of observation statements can be used to confirm or verify the truth of a theory (Hemple, 1965). Falsifists believe in the Popperian argument that observation statements are theory-dependent and fallible and therefore scientific theories cannot be proved but may be falsified (Popper, 1972a, 1972b). This conflict as to whether theories are either 'verified' or 'falsified' means that the concept of empirical testability within 'scientific explanations' can appear to somewhat perplexing.

Hemple (1965) has a hypothetico-deductive account of what constitutes a scientific explanation. Three mechanisms must exist for an explanation to be considered scientific according to Hemple. Firstly, it must incorporate one or more general principles or laws. Secondly, there must be some prior condition (usually an observation statement), and thirdly, there must be a statement describing

whatever is being explained. An example of this is illustrated in Appendix 2. The two main consequences of this hypothetico-deductive account of scientific explanation is that it leads to the search for universal laws or principles from which lower-level hypotheses can be deducted, and that there is a tight association between explanation, prediction, and technical control.

> *"If an event is explained only when its occurrence can be deducted from certain premises, it follows that knowing the premises before the event happened would enable a prediction that it would happen". (Chua, 1986, p608)*

This means that if an event can be predicted due to the occurrence of certain premises, then it is possible that actions may be taken to control this predicted event before it occurs if the same variables are present. In accounting research, the quest to find generalised relations is so widespread that the prevalent belief appears to be that the empirical world is not only objective, but is in the main, characterised by knowable, constant relationships.

3.6.1.3 BELIEFS ABOUT THE SOCIAL WORLD

According to Chua (1986), functionalist accounting makes two main assumptions about the social world. Firstly, it is assumed that human behaviour is purposive, and that humans are capable of rational goal setting even though people may possess only bounded rationality. Secondly, "given a belief in individual and organisational purpose, there is an implicit assumption of a controllable social order" (Chua, 1986, p609). This means that there is the basic belief that humans do not make the world go around, as the world follows its own logical patterns. There is also the belief that the world is a reasonably stable place and when dysfunction occurs, it is controllable.

3.6.1.4 THEORY & PRACTICE

The functionalist approach follows a very 'means-ends' philosophy. Maximising resources is very important and the main focus of interest is on achieving the end goal. When applying this to the function of accountants, it means that they should only concern themselves with finding the most effective and efficient way of supplying their client with information, and should not involve themselves in making moral judgements about what the clients needs or goals are (Chambers, 1966). Accounting researchers following this approach would also believe that accounting research should be purely about showing how to get to goals

(Sterling, 2002). This is also an attempt at neutrality, in that the decision-maker should not involve themselves with moral judgements (Chua, 1986).

3.6.1.5 FUNCTIONALIST LIMITATIONS

The set of dominant assumptions in the functionalist approach has lead to several consequences that have been criticised. Firstly, the functionalist assumes that an event can be predicted only when its occurrence can be deducted from certain premises. Then if these variables occur again, it can be predicted that this event will occur. The flaw in this logic is that people are not all logical or rational, and sometimes events occur and we can react differently every time to them. This has lead to criticism, (Meyer and Rowan, 1977) along with the assumption of human purpose, rationality and consensus, of the mainstream as making seemingly simplistic assumptions.

Another limitation of the functionalist approach is that in endorsing scientific standards of rigor and objectivity it appears in the opinion of the researchers to lean towards quantitative methods which are measurable and definable. In this sense, the functionalist appears to neglect the 'softer' qualitative methods which although may appear to have unbridled speculation and murky obscurantist thought (Bernstein, 1976), can produce very relevant and different results. Also, by believing that everything can be classified, it neglects to consider that some phenomena, people, or behaviours, cannot be 'neatly put into a box'. This has lead to criticism from authors such as Baker & Bettner (1997) that mainstream research has placed emphasis on measurement for measurement's sake.

The functionalist approach has the intrinsic belief that the world is a reasonably stable place and when dysfunction occurs, it is controllable. However this conflicts with another belief that the functionalist approach advocates: that the world is not controlled by humans but follows its own set of logical patterns. This is contradictory in that in one breath the functionalist is saying the world is uncontrollable yet controllable. Tinker (1975) has suggested due to an inherently conservative bias of the scientific approach, by naturalising social phenomena, the status quo is favoured.

It also seems that accounting researchers do not challenge or try to understand the goals of a decision maker, organisation, of society, as these are seen as outside of the 'means-end' belief of the functionalist approach. Therefore it is not

the goal of the researcher to evaluate or even possibly change an institutional structure (Chua, 1986). The researcher is supposed to stay neutral and unbiased as evaluation is not of importance, only providing information on how to get these states. This is limiting in that is restricts the researcher from endeavouring to think of improvements and to consequently contribute to refining what was before.

3.6.1.6 A SUMMARY OF THE FUNCTIONALIST

Functionalist accounting (or the scientific approach) is grounded in a common set of philosophical assumptions about physical and social reality, knowledge, the social world, and the relationship between theory and practice. To put it simply, mainstream accounting believes the researcher will stand back and logically observe phenomena, then conclude with a theory.

> *"The scientific observer should have normal, unimpaired sense organs and should faithfully record what he can see, hear, etc. to be the case with respect to the situation he is observing, and he should do this with an unprejudiced mind". (Chalmers, 1982, p2)*

The functionalist approach believes that the worlds of observations and practice are totally separate from the world of theory (Brownell, 1981). Observation leads to theory and theory predicts and derives what is going to happen in practice. As a result, quantitative methods are used in the ontological mainstream approach, with key characteristics of rationality and objectiveness being highly valued (Zimmerman, 1979; Demski & Feltham, 1978).

3.6.2 INTERPRETATIVE APPROACH

The following sections explore the beliefs about physical and social reality, knowledge, the social world, and theory and practice from an interpretative accounting approach. The various limitations associated with the interpretative approach are then discussed in section 3.6.2.5 and a summary of the previous sections on beliefs is shown in section 3.6.2.6.

3.6.2.1 BELIEFS ABOUT PHYSICAL & SOCIAL REALITY

The interpretative perspective places a heavy emphasis on the importance of the role of language, interpretation, and understanding in social science. The interpretative philosopher believes that humans have a 'stream of consciousness'

that has no meaning until the individual self-reflects on this flow, and attaches a meaning to it. The meaning or experience that is attached to this stream is termed 'behaviour'. The attention is then focused on the forward looking, future orientated behaviour called 'actions'.

> *"Because actions are intrinsically endowed with subjective meaning by the actor and always intentional, actions cannot be understood without a reference to their meaning". (Chua, 1986, p613)*

According to Chua (1986), actions do not occur in isolation from the human having other experiences and shifting his/her frame of reference, reordering and reclassifying these experiences within their framework, which means the framework is essentially social and inter-subjective. The human not only interprets their own actions, but also the actions of others with whom they interact. The constant process of social interaction means that meanings and norms become objectively (inter-subjectively) real (Chua, 1986). The conclusion that can be drawn from this is that the interpretative believes that social reality does not follow logical reality or any logical patterns.

3.6.2.2 BELIEFS ABOUT KNOWLEDGE

The interpretative scientist attempts to make sense of human actions by fitting them into a set of individual aims and a social structure of meanings.

> *"Given this view of a subjectively-created, emergent social reality, the research questions that are pertinent are: how is a common sense of social order produced and reproduced in everyday life; what are the deeply-embedded rules that structure the social world; how do these typifications arise, and how are they sustained and modified; what are the typical motives that explain action?". (Chua, 1986, p614)*

These explanations of the life-world must have the attributes of logical consistency (clarity of the logic which ensure the objectiveness of the thoughts developed by the researcher), subjective interpretation (which is where the researcher has to find the meaning that an action had for the actor), and the postulate of adequacy (where it is pretended that there is no neutral, objective world of facts which help judge the quality of the theory, but the theory is assessed by the extent to which the actors agree with the explanation of their intentions) (Chua, 1986).

3.6.2.3 BELIEFS ABOUT THE SOCIAL WORLD

The interpretative philosopher has two main beliefs about people. One is that there is an acknowledgement of purpose to human action, and two is that there is an assumption of an orderly, pre-given world of meanings that structure action. However, Shultz (1962) highlights the fact that purposes always have an element of 'pastness' as only once someone has experience can they be gifted with hindsight, and their experience will be endowed with meaning.

3.6.2.4 THEORY & PRACTICE

> *"The aim of the interpretative scientist is to enrich peoples understanding of the meanings of their actions, thus increasing the possibility of mutual communication and influence". (Chua, 1986, p615)*

This means that the interpretative researcher is constantly seeking scientific explanations of human intention (Chua, 1986). The aim of the interpretative scientist is to enrich people's understanding of the meanings of their actions, thus increasing the possibility of mutual communication and influence (Chua, 1986). Interpretative knowledge reveals to people what they and others are doing when they act and speak as they do (Fay, 1975).

3.6.2.5 INTERPRETATIVE LIMITATIONS

Interpretative work has been criticised for possessing several limitations (Habermas, 1978). First, it is argued that using the extent of actor agreement as the standard for judging the adequacy of an explanation is extremely weak. It has been questioned as to how one would reconcile fundamental differences between the researcher and the actors, and how would one chose between the alternative explanations. The interpretative has not proved a solution for this (Habermas, 1978).

Secondly, the perspective lacks an evaluative dimension. Habermas (1978) argues that the interpretative researcher is unable to evaluate critically observations that he/she makes. This leads to the researcher being therefore unable to analyse forms of 'false consciousness' and domination that prevent the actors from knowing their true interests.

Thirdly, the interpretative perspective tends to neglect major conflicts of interest within society, as the researcher begins with an assumption of social order and of

conflict (Habermas, 1978). The assumption of social order and lack of conflicts of interest within society mean that the interpretative perspective could be criticised for not accurately reflecting how some might view the world today.

3.6.2.6 A SUMMARY OF THE INTERPRETATIVE APPROACH

The interpretative recognises that people are not logical beings. It is concerned with finding a logical explanation for illogical behaviour and the main method of research used is observational. The interpretative philosopher believes that social reality does not follow logical reality and that from observation of how people act, it is possible to deduce explanations for their behaviour. It attempts to 'objectify' everything (see Appendix 3 for an example) and scientific explanations of human intention are sought. It is generally considered a flexible approach in that it does not seek to generalise (Chua, 1986). An interpretative researcher would commonly use case studies to understand actors 'life-worlds', which is a method that gives much to gain about the understanding of accounting in action (Shultz, 1962). The case study allows the researcher to try to find the actor's definition of the situation and analyse how this fits into the social world (Shultz, 1962). Without this, the understanding of the roles and meanings that may be attached to accounting numbers may be missed, even though we may understand the function of the numbers.

The interpretative approach is used more frequently today and the apparent growth in interpretative (and critical) studies is noted by Covaleski and Dirsmith (1990), Roslender (1990), Ferreira & Merchant (1992) and Broadbent & Guthrie (1992). It is considered very valuable as it changes the set of philosophical assumptions about knowledge and the empirical world. It also gives rise to a new purpose for theorising, different problems to research, and an alternative standard to evaluate the validity of research evidence (Chua, 1986).

If an interpretative approach is adopted, then a consequence may be that accounting information in practice could be attributed diverse meanings (Berry et al, 1985; Hays, 1983; Boland & Pondy, 1983; Cooper, Hayes & Wolf 1981; Burchall et al, 1980).

> *"In this way, accounting numbers may be used to activity mobilise bias, to define parameters permissible in organisational debates, and to legitimise particular sectional interests". (Chua, 1986, p.617)*

This diversity exists because social, political and historical contexts are continuously altering and therefore social and accounting reality is constantly being redefined (Chua, 1986). Additionally, the interpretative perspective questions the traditional view of accounting information as a means of achieving pre-given goals (Chua, 1986). The interpretative philosopher will believe that accounting information can be used in retrospect to rationalise actions that were taken and impose a target as if it has always existed (Weick, 1979; Cohen, March & Olsen, 1972). Finally, the interpretative perspective does not assume that conflict is always 'dysfunctional'.

3.6.3 CRITICAL APPROACH

The following sections explore the beliefs about physical and social reality, knowledge, the social world, and theory and practice from a critical accounting approach. The various limitations associated with the interpretative approach are then discussed in section 3.6.3.5 and a summary of the previous sections on beliefs is shown in section 3.6.3.6.

3.6.3.1 BELIEFS ABOUT PHYSICAL & SOCIAL REALITY

The beliefs underlying the critical approach are ones that date back to similar thoughts as those of Plato, Hegel, and Marx (Chua, 1986).

> *"It is a belief that every state of existence, be it an individual or a society, possesses historically constituted potentialities that are unfulfilled. Everything is because of what it is and what it is not (its potentiality)". (Chua, 1986, p619)*

However, according to Lehman and Tinker (1985), human potentiality is restricted by prevailing systems of domination that alienate people from self-realisation. These restrictions can arise from numerous factors, including economic and political relations, and the consciousness of the individual themselves.

Another belief the critical approach holds is that relationships between the whole of society, and all the parts that make up society, for example the individuals, groups, and organisations, affect and interrelate with each other to a large degree.

> *"Therefore, what a finite thing is and what it is not may only be grasped by understanding the set of relations that surround it". (Chua, 1986, p619)*

As a result of this, nothing can be considered to exist in isolation, which is a very Foucauldian view (Foucault, 1980). It is very similar to the idea that Foucault (1980) endorsed of that power is totally dependent on relationships, and without relationships there is no power.

> *"…power is neither given, nor exchanged, nor recovered, but rather exercised and…it only exists in action". (Foucault, 1980, p89)*

Under the critical approach, something exists only when every other relative part around it exists also. To illustrate this, take the example of an accountant. A critical researcher would believe that an accountant is not an isolated particular, rather they exist only in the context of groups, classes, and institutions (Chua, 1986). They are what they are because of their ability to sell their services as professionals to society. Without society accountants would not exist, and it could be argued that without accountants, society as we know it today would not exist.

Social reality is both subjectively created and objectively real. This belief of Chua's (1986) is backed up by the writings of Ruth Hines (1988) who believes that history creates a past reality for us, and that the past is always being re-invented, making the whole concept of reality a very subjective one.

3.6.3.2 BELIEFS ABOUT KNOWLEDGE

Critical philosophers believe that the standards, by which scientific explanations are judged, are bound by the contexts in which they exist (Chua, 1986). Critical philosophers also do not believe the interpretative standard of judging a scientific explanation (the degree of consensus between the researcher and the actors) is adequate (Chua, 1986). However, critical philosophers have failed to come up with a set of specific criteria that can be used to investigate truth claims (Foucault, 1977, Habermas, 1976).

Quantitative methods of data collection and analysis, such as mathematical or statistical modelling of situations (Collis & Hussey, 2003), are not frequently used under the critical methodology. Instead, there is a greater emphasis on historical explanations. Historical analysis is of such importance that it is believed that an identity of an object or event can only be understood through a thorough analysis

of what is has been, what it is becoming, and what it is not (Chua, 1986). This analysis is also supposed to reveal any historical relations that restrict human potentiality.

3.6.3.3 BELIEFS ABOUT THE SOCIAL WORLD

The critical philosophers share some common beliefs about how researchers should view their subjects. They agree with the interpretative idea that the researcher needs to learn the language of their subject/object (Chua, 1986). However, the critical philosopher would argue that this alone is not enough. They believe (Habermas, 1976) that language can not alone illustrate the domination that occurs in the context, as the subject themselves may be using their language as a vehicle for repression and social power.

So, in an endeavour to overcome this shortcoming, it was suggested by Habermas (1976) that social action can only be understood in a framework that is constituted conjointly by language, labour, and domination. This would allow a more thorough analysis of how all of the factors were affected by domination.

> *"A critique of ideology is considered necessary because fundamental conflicts of interest and divisions are seen to exist in society (indeed, are endemic to contemporary society) and to be institutionalised via cultural and organisational forms". (Chua, 1986, p621)*

The impacts that society and organisations have can be seen to be very inter-related, as conflicts within organisations create problems in society, but also were created by problems in society.

3.6.3.4 THEORY & PRACTICE

The critical philosophers take a very different standpoint to the mainstream view in that they believe that theory has a particular relationship to the world of practice (Puxty, 1984). Theory is thought to be a tool that ought to be concerned with bringing to light the restrictive conditions that exist. This involves showing that so-called ojective and universal social laws are the result of specific forms of domination and ideology (Habermas, 1978, Foucault, 1977). It is hoped that after these restrictive conditions are brought out into the open, that social change may be initiated and the injustices and inequities can be corrected (Puxty, 1984).

3.6.3.5 CRITICAL LIMITATIONS

As with the interpretative view, there is a danger in that because the approach is quite extreme researchers will neglect to investigate other ways of doing things, leading to complacency and non-criticism (Chua, 1986).

Critical researchers, and interpretative researchers, mostly use qualitative methods to analyse their data and believers in the functionalist approach have said that this type of research is prone to be conducted with a supposed lack of rigor (Chua, 1986). According to Silverman (2000), sometimes the extended immersion in the field, which is typical of qualitative research, leads to questions about the validity of the researchers own organisation.

Despite the criticisms of the critical and interpretative approaches, Baker & Bettner (1997) note that there has been an increase in these approaches being used which illustrates a persistent uneasiness in the academic community regarding the inability of scientific perspectives such as the mainstream approach to adequately address the over-reliance on quantitative methods that arises from this type of scientific approach (Baker & Bettner, 1997)

3.6.3.6 SUMMARY OF THE CRITICAL APPROACH

Considerable interest has been shown in developing accounting research within the critical perspective (Chua, 1986). The critical approach embodies the following factors. The critical approach is about taking real empirical objectives and transforming the objectives through the individuals own interpretation. It looks at theories in terms of the context that they exist in, and the critical philosopher believes that ‘restrictive mechanisms’ exist in society that limits human potentiality. This concept of restrictive mechanisms comes from one of the core ideas behind the critical approach, that there is always conflict in the world and that this conflict obscures potential. Basically the critical researcher would believe that it is their role to identify and raise awareness of injustices in the world.

The fact that critical philosophers find it important to look at theories in terms of their historical and present context means that the analysis is likely to be accurate in that the context will reflect the changes that have happened over time due to the context. A simplified example of this is shown in Appendix 4.

3.6.4 COMPARISON OF ACCOUNTING RESEARCH METHODOLOGIES

To assist in making a decision as to which different accounting methodology would be best suited for this particular thesis and piece of research, the researcher decided to compare the methodologies. This section and the following sections 3.6.4.2 and 3.6.4.3 compare and contrast the different methodologies.

There seems to be a large strong following of the functionalist accounting methodologies, and little tolerance from this following towards advocators of the two other approaches due to the fact that the other two approaches are so different, as discussed by Chua (1986) in the quote below.

> *"It poses a particular challenge for the accounting researcher and accounting as a discipline to adopt a radically different value position that may not be easily accepted by mainstream accountants". (Chua, 1986, p625)*

The interpretative and critical methodologies are however, growing in popularity (Chua, 1986). Although there is still diversity in beliefs among the accounting research world, at least the diversity is hopefully making people challenge their own beliefs and consider other viewpoints. There is also some integration of the different methodologies and methods (Hammersley, 1990) where some researchers are using a mixture of different approaches. The following quote illustrates that increasingly integration of methodologies is becoming more acceptable.

> *"We are not faced, then, with a stark choice between words and numbers, or even between precise and imprecise data; but rather with a range from more to less precise data. Furthermore, our decisions about what level of precision is appropriate in relation to any particular claim should depend on the nature of what we are trying to describe, on the likely accuracy of our descriptions , on our purposes, and on the resources available to us; not on ideological commitment to one methodological paradigm or another". (Hammersley, 1990, p163)*

As Kirk & Miller (1986) state, ultimately objectivity should be the common aim of all social science regardless of what methodologies and methods are used.

As with most things, there are often both advantages and disadvantages associated with the one idea or concept. As a result, when judging which method is more appropriate, it will depend largely on the individual researcher's value judgement as to what weighting or importance they have placed on which negatives or positives. Again this is subjective, and of course the opinion that the

researcher emerges with will have been selected due to that individual's own 'reality' and how that has shaped their opinions and consequently their judgement (Kirk & Miller, 1986).

It does not appear possible for a framework to be invented that is permanent and neutral, which will evaluate and classify different and even competing theories (Humphrey & Scapens, 1992). However, in stating although we lack a 'one-size-fits-all' framework, this does not imply that there cannot be any rational comparison between the differing paradigms. What is required, if rational comparison is to ensue, is awareness of the fact that differing viewpoints offer different advantages, and similarly differing disadvantages, and that our own human prejudices (both on a 'society' wide level and on an individual basis) can taint the ability to be rational and unbiased (Hopper & Powell, 1985). Accounting has shown not to be neutral, but to be dependent on the interplay of particular power structures, and to privilege certain interests (Humphrey & Scapens, 1992).

It is also important that the researcher does not buy into the mentality that what has been most used historically is therefore the best in terms of methodologies (Humphrey & Scapens, 1992). To date, accounting research has been largely dominated by a historical tendency in empirical studies (Humphrey & Scapens, 1992). In the opinion of this researcher, researchers must be aware of this and try not to be influenced into doing what others believe is right, rather they should follow what they believe to be right for their particular research. The gap caused by the relative lack of detailed case studies of accounting in action, identified in accounting research in the early 1980's, remains largely unfilled (Humphrey & Scapens, 1992).

Bearing this in mind, it is this researcher's opinion, that the 'best fitting' research method for any particular research must depend primarily on the content and nature of the phenomena being researched. The researcher should be aware of their own personal biases and assumptions and be realistic in thinking that it would be extremely difficult, if not impossible, to deliberately remove these from the decision set (Humphrey & Scapens, 1992). Another important factor for the researcher to keep in mind is that over time, 'truth' may be proved to be 'wrong' and other falsities may prove to be correct. There is no overcoming that with time our knowledge evolves and changes. Knowledge development is dependent on the perceptions, understandings and policy prescriptions of the individual researcher (Humphrey & Scapens, 1992).

3.6.4.1 FUNCTIONALIST COMPARED TO THE INTERPRETATIVE

For a long time, the functionalist accounting perspective has had a large and dedicated following. Broadbent (1992) states that the majority of accounting research continues to follow the mainstream paradigm.

> *"…an inscription reads on the façade of the Social Science Research Building at the University of Chicago, 'If you cannot measure, your knowledge is meagre and unsatisfactory'". (Chalmers, 1982, pxvi)*

Although the functionalist approach is still by far used the most (as per study done by Baker & Bettner, 1995) the number of researchers who now endorse either of the alternative approaches is growing. Researchers such as Covaleski & Dirsmith (1990), Roslender (1990), Ferreira & Merchant (1992) and Broadbent & Guthrie (1992) all say that there is growth in interpretative and/or critical studies. However, Baker and Bettner (1997) say it is difficult to say whether the growth is more attributable to an increase in the number of academic journals increasing exposure of the interpretative and critical methodologies rather than an acceptance of these alternative perspectives.

Laughlin (1985) was an advocator for the functionalist accounting perspective and believed that these perspectives were:

> *"….characterized by an ontological belief about a generalizable world waiting to be discovered and a high degree of reliance on definable theory with specific hypotheses to be tested, while interpretative perspectives adopt a more sceptical worldview accompanied by ill-defined theories and a lack of prior hypotheses". (Baker & Bettner, 1997, p295)*

This quote illustrates how believers in the functionalist approach praised its 'specificness and preciseness' as they saw it. It was the belief that quantifiable, measurable, tangible research that could be analysed and categorised in a methodical way that epitomises functionalist researchers.

Chua (1986) compared the interpretative approach with the mainstream by investigating the assumptions and goals of two approaches (Demski & Feltham (1978) using mainstream, and Boland & Pondy (1983) using interpretative to study of the same phenomena, the budgetary control system.

Demski & Feltha's (1978) study showed how the functionalist approach advocates how the world of reality is external to the world of the researchers, and also to the people/phenomena under research. Settings are described in the abstract language of economics, and a mathematical model of behaviours is formed. After analysis of this model, generalisable conclusions are drawn. Simplistic assumptions of the goals of the people being studied are made, such as single goals of utility-maximisation. There are also implicit assumptions of what is dysfunctional for the organisation.

In contrast, the Boland & Pondy (1983) case study showed how the interpretative approach recognises that people are not logical, utility-maximising beings. They also show how phenomena is not thought of as a fixed, permanent object as was an assumption of the functionalist/mainstream approach. Rather the budget is thought of as a symbolic, vague, value loaded object that plays an active role in shaping reality (Chua, 1986). This approach also recognises that phenomena is influenced by outside interests and there is no prior assumption that there is a rational, technical purpose for the budget or that there is particular priority to certain goals.

More major differences are that the interpretative disregards the need to identify dysfunctional behaviour, and everything is described in simple, everyday language rather than complex economic terms. The researchers also aim to study accounting through the definition of the situation from the point of view of the people involved, whereas the mainstream is not interested in this at all. Generalisations are not the aim of the interpretative approach and Boland & Pondy advocate the use of case studies to understand accounting as a 'lived' experience.

Many researchers such as Baker & Bettner (1997), Hopwood (1974), Dillard & Nehmer (1990) and Power & Laughlin (1992), believe that interpretative research enables researchers to examine the metaphorical dimensions of accounting. This thereby allows them to gain an understanding denied by the more limited scope of the functionalist research perspectives.

Peter Armstrong (1989) illustrates in his article 'Variance reporting and the delegation of blame: a case study' why in some instances other approaches may highlight findings that the functionalist approach would not. He describes how under functionalism there was the inherent belief that individuals and groups view

‘organisational rules’ as the means of achieving certain goals. However, this neglects the possibility that individuals and groups can use bureaucratic rules for many different reasons which have little to do with their formal rationality, which both the interpretative and the critical acknowledge.

> *“So, for example, conformity to procedure can be used by workers to defend actions which have turned out badly from the point of view of their superiors”. (Armstrong, 1989, p29)*

As the interpretative approach recognises that not all humans are rational and logical, and the critical approach recognises that existence in isolation does not happen, then both of these would have been the better choice for the case study done by Armstrong, rather than the functionalist.

A major difference between the interpretative and the functional, as mentioned in the budget case study comparison, is that the interpretative does not aim to generalise. With a society that tends to be changing on a faster and faster basis, this makes the interpretative appear to be a more flexible view than the functionalist. With change happening more and more, generalisations tend to become outdated quickly and lose their relevance. Also it is more likely that an interpretative researcher would use case studies to understand actors ‘life-worlds’ rather than to use mathematical models or large-scale sampling. This tends to have more value in ‘understandability’ as it takes specialist knowledge to comprehend the economic language used in functionalism and therefore gain value from the research.

> *“Interpretative and critical studies may open up avenues for exploring ways to facilitate the movement toward a more humane society by breaking down barriers to communication that are erected as a natural by-product of functionalist perspectives”. (Baker & Bettner, 1997, p307)*

3.6.4.2 FUNCTIONALIST COMPARED TO THE CRITICAL

The critical approach believes that to understand the essence of accounting, a researcher must have an appreciation of accounting’s impact on individuals, organisations, and societies. This contrasts with the functionalist belief that quantitative methods of research will produce scientific results that in turn can give rise to a universal theory that will effectively explain and predict all social, cultural and ethical differences observed in our natural and fabricated worlds.

The importance of understanding the context in which phenomena arises, which is so essential for the critical, is ignored by the functionalist approach in an attempt at neutrality.

Followers of the functionalist approach may argue that their approach is more 'legitimate' than the alternatives. However, this is only a matter of opinion and depends greatly on how the individual allocates worth to the attributes of alternative methods. Davey (1993) has this opinion when comparing the functionalist with other methods such as the critical and including the interpretative as well.

> *"The issue for accountants in the future must be to use the scientific approach for the benefits that are clearly available from it, while at the same time recognising that other approaches are also appropriate and the knowledge so derived equally legitimate". (Davey, 1993, p308)*

3.6.4.3 INTERPRETATIVE COMPARED TO THE CRITICAL

Critical research is similar to the interpretative in parts, due to the general need for both methods to describe, understand and interpret meanings that humans apply to the symbols and structures that they have in their settings. However, the fact that the interpretative model research attempts to take a neutral stance whereas critical research adopts a particular point of view about the research, gives rise to differences. Baker & Bettner (1997) argued that it is doubtful as to whether any researcher can adopt a truly neutral stance. They believe that the critical method is preferable to the 'dishonest' functionalist perspectives, and that the interpretative, although less forthright than the critical, is preferable to the functionalist.

Another difference between the critical and the interpretative is that the interpretative relies on the definition of the situation from the point of view of the person being researched. The critical recognises that it is probable that there are differences between what the researcher believes in and what the person being researched believes in. These differences may result in the person being researched not sharing their true beliefs due to factors such as domination, insecurities or fear of alienation. The interpretative researcher could not pick up on these as they begin with an assumption of social order that does not usually encompass large conflicts of interest within classes in society.

Laughlin (1985) believes that the growing popularity of both the critical and the interpretative approaches could be in fact not a growth in popularity, but rather an increase in the number of academic journals which are increasing in acceptance of alternative perspectives. This explains the increased exposure of both of these views but does not necessarily mean that as a result there are a growing number of researchers using these approaches. According to Baker and Bettner (1997), despite Chua's call for more interpretative and critical research, during recent periods there has been little or no interpretative or critical research appearing in mainstream accounting journals.

> *"…taking the 1991 issues of both The Accounting Review and the Journal of Accounting Research, of 71 papers published, 15% related to analytical model-building, 3% were conceptual or historical, and 82% involved empirical testing of mainly economics-based models, theories or hypotheses". (Lee, 1995, p249)*

However in saying this, functionalist accounting journals inside of the United States tend not to publish work of an interpretative or critical nature. Baker & Bettner (1997) state that interpretative and critical research is virtually absent from mainstream academic accounting research journals published in the United States. Baker & Bettner (1997) suggest that this could be because mainstream accounting research in the United States is so closely associated with the practicing accounting profession that it has assumed a posture of being scientific and value free so that it does not disturb an important constituency. Baker & Bettner (1997) do say that within countries outside of the United States where there is a less explicit link between academia and the practicing accounting profession, there seems to be more opportunity for the development of interpretative and critical perspectives on accounting.

Laughlin (1995) contrasts with Chua (1986) slightly within his beliefs about the critical and the interpretative perspectives. Laughlin believes that interpretative perspectives adopt a more sceptical ontological worldview accompanied by ill-defined theories and lacking in prior hypotheses. Critical perspectives, he believes, are clearer in their assumptions and that their theories are better defined.

The biggest difference between the critical and the interpretative is that the critical is willing to take a particular stance on the nature and purpose of the research along with its political and societal implications. This emphasises how the critical focuses on understanding how accounting is used as mechanism of

control in organisations and society, while the interpretative enables exploration of the metaphorical dimensions of accounting.

A table summarising the differences and key characteristics of each approach is shown in section 3.7 of this chapter.

3.6.4.4 APPLICATION OF ACCOUNTING RESEARCH METHODOLOGIES

Some accounting researchers, such as Popper (1972b), have argued that accounting research is not relevant enough. As discussed by Chua (1988), there are problems with the relationship between accounting theorising and organisational practice.

> *"The 1977-78 "Schism" Committee of the AAA indicated that academics neither spoke the language nor saw the problems of practitioners". (Chua, 1988, p602)*

When considering how this reflects and impacts on research undertaken, one must reflect on whether their research undertaken will be credible and believable for people, other than academics, if accounting research methodology itself is under question. This researcher believes that this debate has arisen because practitioners are not actually arguing whether research is 'relevant' enough, but are arguing that research is not 'useful'. The implications of this difference in argument are huge.

> *"Rigorous methodological studies constituted only a small minority of the articles in Accounting Review 20 or 30 years ago, but now they constitute the vast majority of articles". (Leisenring & Johnson, 1994, p76)*

The nature of research in accounting has been changing over the years (Colvaleski & Dirsmith (1990), Roslender (1990), Ferreira & Merchant (1992), Broadbent & Guthrie (1992)). With the increase in statistical and mathematical methods being used within accounting research, the level of speciality to understand the research increases. The majority of accounting practitioners now find it more difficult to understand the research, which means that they cannot relate the findings to their own problems, and therefore the research is not irrelevant to them but is not useful (Baker & Bettner, 1997). Limitations exist in the fundamental assumptions underlying the research paradigm of the mainstream perspective which adversely affect the ability of the mainstream

researchers to provide useful understandings of social reality (Baker & Bettner, 1997).

There are several suggestions as to how this problem can be overcome, but this topic is a thesis unto itself. As this debate relates to this thesis, the researcher maintains that the research undertaken for this thesis will be both relevant and useful. To help ensure that this is the case, terminology that is overly complex will not be used and the researcher will endeavour to make sure the users of the information understand the research findings and appreciate their significance.

3.7 SELECTION OF METHODOLOGY

The research undertaken for this thesis is in the form of a case study which seeks to explain power relationships from a Foucauldian perspective by looking at corporate hierarchies and resistance. As the outcome of this research is an evaluation of individuals and their relationships at a particular point in time, the research should give readers an understanding of power relationships and framework for contextual Foucauldian evaluation.

However, due to interpretative research being directed at describing, translating, analysing and otherwise inferring the meaning of events or phenomena occurring in the social world (Colvaleski & Dirsmith, 1990), it is the best methodology for this particular research.

The interpretative methodology is also considered ideal for this particular research, having a Foucauldian emphasis, for the following reasons, as derived from Baker & Bettner (1997):

- Interpretative has an emphasis on understanding and interpreting meanings, role of language and understanding
- Largely uses qualitative methods
- Knowledge is created by one persons reality
- Social reality does not follow any logical reality or patterns as people attach their own meanings to actions and experiences, and these are constantly changing
- Main method of research is observation
- Does not seek to generalise but rather wants to understand the situation or context and how that relates to the phenomena
- Does not assume that conflict is always dysfunctional

All of these points tie in extremely well with the Foucauldian perspective. The emphasis of the research performed was on understanding and interpreting meanings of the individuals reality from the qualitative method of semi-structured interviews teamed with observation. The research is not intended to be generalised but rather an analysis of the situation studied giving rise to understanding about the individuals, the context and the overall situation. Also, as discussed in chapter two, Foucault did not believe that conflict was always dysfunctional but rather that it could facilitate movement forward, which also fits with the interpretative methodology.

3.8 SUMMARY

The objective of this section was to provide context for the three methodologies considered to assist in making the appropriate choice for this particular research. The way in which the interpretative method aligns itself with the Foucauldian research questions is illustrated in this subsection.

> *"It would be foolish to maintain that there exists one universal theory that effectively explains and predicts all of the social, cultural, and ethical differences observed in our natural and fabricated worlds". (Baker & Bettner, 1997, p305)*

As discussed in the previous subsections within this chapter, there are numerous differing characteristics related to the three different methodologies considered. A summary of the characteristics of the three different approaches is shown in Table 3 following:

Table 3: Summary of characteristics of the functionalist, interpretative, and critical approaches

Functionalist	Interpretative	Critical
Most popular, both in the past and in the present	Growing in popularity	Growing in popularity
Emphasis on measurement and scientifically proven results	Emphasis on understanding and interpreting meanings, role of language and understanding	Every state of existence possesses unfulfilled potentialities
Largely uses quantitative methods	Largely uses qualitative methods	Largely uses qualitative methods
Knowledge is separate from the person who knows it and it can be learned by anyone	Knowledge is created by one persons reality	Human potentiality is restricted by prevailing systems of domination that prevents self-realisation
World of observation is separate from that of theory. Observation attests scientific validity of theory	Knowledge is created by one persons reality	Social reality is both subjectively created and objectively real
Theories are either verified or falsified	Social reality doesn't follow any logical reality/patterns as people attach their own meanings to actions/experiences and these are constantly changing	Existence in isolation does not happen
Human behaviour is purposive and humans are capable of rational goal setting despite possessing only bounded reality	Seeks scientific explanations of human intention	
Implicit belief in controllable social order	Main method of research is observation	
Humans do not make the world go around	Attempts to objectify everything	
Importance of maximising resources and achieving end goals – 'means ends' philosophy	Does not seek to generalise, rather wants to understand the situation or context and how that relates to the phenonomea	
Researcher will stand back, logically observe and conclude with a theory	Does not assume that conflict is always 'dysfunctional'	

Source: Created by the researcher, adapted from Chua, 1988.

As discussed in section 3.7, the interpretative characteristics tie in extremely well with the Foucauldian perspective. The emphasis of on understanding and interpreting meanings of the individual's reality using qualitative methods lends itself well to the Foucauldian perspective on the research undertaken. Overall, for

all the reasons discussed in section 3.7, the researcher believes that the interpretative methodology is ideal for this particular research.

This chapter leads into the following chapter four, which discusses the case study and observation methods chosen which fit under the interpretative methodology. The Foucauldian insight into power relationships overlays the interpretative methodology and the case study and observation methods used. The use of the case study and observation methods is vital to this research as they allow the researcher to understand the power relationships that exist from the perspective of the affected individuals as well as through observation of the behaviours and reactions from these individuals. The case study method, and the triangulation of both interview and observation methods (Silverman, 2000), are discussed in more detail in the following chapter.

4 RESEARCH METHOD

4.1 INTRODUCTION

The previous methodologies section illustrates how important it is to select an appropriate methodology, particularly as they are all vary considerably. The choice of an appropriate methodology guides the selection of a suitable method. As discussed in chapter three, the difference between methodologies and method is that the methodology is the thinking approach, whilst the method is how the research is performed under that thinking approach or paradigm (Collis & Hussey, 2003).

The research for this thesis was conducted using a case study method under the interpretative methodology with a Foucauldian perspective. This method was chosen as it would provide insight into whether, in the case of the Finance Department, power relationships follow hierarchies. It would also enable the manner in which power relationships impact individuals, hierarchies and workflows to be considered. The case study method would also allow analysis of the factors that impacted on and influenced power relationships both within and outside of the Finance Department, and of the different forms of resistance that arose as a result.

The main objective of this section of the thesis is to explore the reasons for adopting qualitative methods under a Foucauldian perspective, which also fit with the methodology chosen in chapter three. Another objective is to discuss how such methods may illuminate productivity and workflows within the Finance Finance Department studied. This chapter discusses the research questions, background information, and how the methodologies lead to methods. The method of case study using a triangulation approach, discussed in section 4.2, with a focus on semi-structured interviews, observation is also examined, along with case study protocol and related ethical considerations and how they were addressed (Gillham, 2000). The limitations of the case study method are also discussed.

4.2 RESEARCH QUESTIONS

As discussed in section 2.4.1 and section 3.2 of this thesis, the research questions which are from a Foucauldian perspective are as follows:

Question 1: Do power relationships follow hierarchies?

Question 2: How do power relationships impact individuals, hierarchies and workflows?

Question 3: What impacts upon and influences power relationships, and how can this create forms of resistance?

It is important that these questions are taken into account when considering which methods would be appropriate to use as the overall objective of the thesis is to answer these questions within the methodological framework.

4.3 BACKGROUND

> *"What is a 'correct' research method will depend on how truth is defined". (Chua, 1986, p604)*

Every social theory makes assumptions about the nature of human society, and therefore the researcher is inclined to lean towards using a theory or 'thought approach' that reflects best their individual views on what the nature of human society is like.

Kuhn (1962) believes that there are certain evaluative criteria that are usually listed by philosophers of science, such as accuracy, simplicity, and fruitfulness. These criteria are not necessarily universal, and definitely are not fixed, but give a good indication of the qualities that this researcher believes should be considered when deciding upon the most appropriate research method for the research situation.

4.4 METHODOLOGY LEADING TO METHODS

In chapter three of this thesis, the differing methodologies that exist and their individual attributes that make each approach distinctive from others are discussed. As highlighted in that chapter, the characteristics of each approach mean that they suit some forms of research more than others. The interpretative approach has more applicable attributes for this type of research. The researcher decided that the interpretative viewpoint would be most valuable to use in the

analysis of the results from the case study undertaken as it would allow a more extensive understanding of both managements and workers perspectives.

Despite being a researcher of cultural classifications, the following quote from Hofstede (1998), can be applied to a Foucauldian case study as it highlights how important it is to take into account all of the individuals from the top down as well as from the bottom up.

> *"…an organisation's culture is assumed to reside in the minds of all the organisations members, not only in the minds of its managers or chief executives. Information about an organisation's culture should therefore be collected from samples of all these members". (Hofstede, 1998)*

The main focus of this research was how power relationships impacted on the individuals studied. These impacts were analysed through how the individuals displayed resistance and how they perceived power relationships and work allocations. The methodologies and the method will allow the researcher to show how individuals experienced the changes and discuss the psychology of their attitudes.

The researcher acknowledges that it is probable that some form of 'researcher bias' would have arisen from the research due to the fact that she was employed in the Finance Department in the Company under study. A qualitative perspective is valuable in that it recognises that the research findings will be realised through the researcher's own individual interpretation. The researcher recognises that her interpretation will be impacted by her own culture and values. With recognition that humans are not necessarily logical and rational beings, the findings will raise awareness of the limiting restrictive mechanisms that exist within the Company. This should then lead to identification of what is obscuring the potential within employees involved in the process and unmask some of the effects of resistance within the Company.

4.5 RESEARCH METHODS

The case study is increasingly used as a research tool (Hamel, 1992; Perry & Kraemer, 1986) and as a research method contributes uniquely to our knowledge of individual, organisational, social and political phenomena (Yin, 1994). The methodology, as discussed and chosen in chapter three, leans heavily towards the case study being used as an appropriate method for this research. The way

the methodologies helped the method selection were discussed in section 4.1 above. The reasons as to why the case study is appropriate as a method for this research are discussed within section 4.2.2 of this chapter.

To perform the research, a multi-method approach was adopted (Gillham, 2000). A case study was performed as the main method, with semi-structured interviews and observation used as different research methods to generate the data. As the interview method and observation method are different methodological standpoints, this approach would be known as triangulation (Gillham, 2000). Reasons as to why these methods were selected are discussed in this section of the thesis.

In conducting the research for this thesis, it was important that research methods were used that were applicable to the sort of information sought and also that techniques fitted the Foucauldian perspective and flow on from the selected interpretative methodology used.

It is important to keep the end-user in mind when conducting research (Darke & Shanks, 1997). However, this researcher believed that, in this particular case, it was most important to simply reflect her observations of the power struggles that were taking place and analyse how these impacted workflows and the reengineering process. This researcher's observations were formed not only by informal observation, but also by observation during the interview process and analysis of the interview transcripts.

The overall aim of using a triangulation approach (Gillham, 2000) with both interview and observation research methods is to investigate how both management and workers felt about the Finance Department and the workflows which highlights the power relationships. How people feel will be reflected through both what they say in the interview process, and also how they act and what they say in an informal setting which will be observed. This is important as it allows the focus to be on how people perceive the changes from the 'top down' and from the 'bottom up' which also fits in with the Foucauldian perspective adopted.

4.5.1 QUALITATIVE RESEARCH

> *"Others prefer a qualitative approach, which is more subjective in nature and involves examining and reflecting on perceptions in order to gain an understanding of social and human activities". (Collis & Hussey, 2003, p13)*

There are two main streams of research: quantitative which is more data based and qualitative which is more method based. According to Collis & Hussey (2003), quantitative research is objective in nature and concentrates on measuring phenomena. In contrast, the qualitative approach, as described in the quote above, is more subjective and focuses more on human behaviour. There are characteristics specific to both approaches, which have helped this researcher in deciding that the qualitative approach is more appropriate for her particular research.

A qualitative method allows a researcher to do several things. Firstly, it enables investigation where other methods are perhaps not practicable or ethically justifiable. Secondly, it allows investigation into situations where there is little known about what is there or what is going on. Thirdly, it allows complexities to be explored which are beyond the scope of more controlled and restricted quantitative approaches. Fourthly, it encourages exploration of the informal reality of a group or organisation which can be only perceived from the inside. Fifthly, it allows for research to be carried out into the processes that lead to results rather than just into the significance of the results themselves (Gillham, 2000, p11).

However, despite all of these positive characteristics, there are several challenges which arise as a result of using a qualitative approach. It is thought by researchers, such as Morse (1994), that analysis of qualitative data is often not easily performed.

> *"Despite the proliferation of qualitative methodology texts detailing techniques for conducting a qualitative project, the actual process of data analysis remains poorly described". (Morse, 1994, p23)*

One of the issues with qualitative data is that the data collection method can also be the basis on which it is analysed. This makes it difficult to distinguish between methods of collection and methods of analysis (Collis & Hussey, 2003). Another challenge associated with qualitative data analysis is the lack of clear and accepted conventions for analysis (Robson, 1993). Due to the sheer volume of

data that can be amassed, qualitative data can also be hard to summarise and structure so that a conclusion can be reached.

> *"Brief conversations, snippets from unstructured interviews, or examples of a particular activity are used to provide evidence for a particular contention. There are grounds for disquiet in that the representativeness or generality of these fragments is rarely addressed". (Bryman, 1988, p77)*

Although all of these challenges can pose difficulty to the researcher, it is the opinion of the researcher that the qualitative methods chosen fit so well with the interpretative methodologies and a Foucauldian perspective, which supports this choice for this research. In the opinion of this researcher, the aforementioned characteristics of qualitative research far outweigh the challenges associated with qualitative research as discussed.

The objective of the case study was to analyse how if and how power relationships follow hierarchies, and how these power relationships impact upon individuals, hierarchies and workflows. This raises further questions of what impacts upon and influences power relationships, and how this creates forms of resistance is asked. These questions are more concerned with examining and reflecting upon perceptions, rather than collecting and analysing numerical data which follows a quantitative approach (Collis & Hussey, 2003).

4.5.2 CASE STUDY

> *"A case study is one which investigates…to answer specific research questions (that may be fairly loose to begin with) and which seeks a range of different kinds of evidence, evidence which is there in the case setting, and which has to be abstracted and collated to get the best possible answers to the research questions". (Gillham, 2000, p1)*

Researchers such as Yin (1994) cite case studies as having a purpose of contributing uniquely to our knowledge of individual, organisational, social, and political phenomena. Unsurprisingly, the case study has been a common research strategy in psychology, sociology, political science, business, social work and planning (Yin, 1983).

> *"…Cases facilitate the analysis of real management problems, seek solutions and help managers make better decisions". (Stonham, 1995, p230)*

The case study has been chosen as a method for presenting the findings of the research for several reasons. Firstly, the case study allows real life problems to be investigated with the aim of finding solutions and improving upon the past (Stonham, 1995). Due to case study results being very contextual, the findings tend to be very specific to that particular case and have little applicability to others (Gillham, 2000).

> *"Natural sciences research is aimed at generalisable findings (which may have general implications for theory). But in human behaviour, generalisation from one group of people to others, or one institution to another, is often suspect – because there are too many elements that are specific to that group or institution". (Gillham, 2000, p6)*

As the research questions being asked within these studies are typically 'how' or 'why' questions, case studies are an appropriate method for the study of human behaviours. As cited by Yin (1994), in general, 'what' questions might be exploratory in which case any research strategy such as experiment, survey, archival analysis, history or case study could be used. If the research question is about prevalence, surveys or the analysis of archival records would be favoured. However, if the research questions are 'how' or 'why' questions, then the more appropriate strategies would be case studies, experiments or histories.

An often-cited weakness of the case study method is that of the significance of the findings is left up to the subjective interpretation of the researcher, who may suffer from researcher bias (Sudman & Bradburn, 1982). Hooper (2001) states that as qualitative approaches tend to bring the researcher closer to the phenomenon under investigation the final explanatory analysis is very dependent on the maintenance of objectivity. It is recognised that there is some subjectivity involved and that the definition of the situation will depend on the researcher's own view.

Another weakness of the case study method as cited by Yin (1994), is that it is often difficult to find two cases that can be meaningfully compared in terms of essential characteristics. According to Yin (1994), the question 'how can you generalise from a single case?' is a frequently heard question. This is due not only because of the small number of case studies that actually exist, but also because case studies tend to be very individualistic and not easily generalisable. Also, as case studies tend to be very individualistic, rarely can case studies be repeated or their findings verified. However, this is not so much of an issue under the interpretative perspective as it is accepted that the case study researched is a

one-off, individual account of particular individuals, within specific departments in a particular organisation at a particular point in time. As discussed in the paragraph following, this does not mean that case studies do not contribute to the overall body of knowledge in that particular area. This researcher believes that it simply means that the context of a case study must be embraced as a critical factor when considering the conclusions. As stated by Yin (1994), case studies do not represent a 'sample' and the role of an investigator is to expand and generalise theories, and not to enumerate frequencies.

If the research questions and issues are not well defined, this can lead to a weakness in case studies (Yin, 1993). According to Yin (1993), if the initial targeting of the research is not done well, then this is likely to hinder the case study process.

> *"In case studies, the targeting is essential. First, you will know that you have a target, and you are therefore more likely to complete your case study. Second, you will hope that your defined target is critical to the substantive field of interest, and that your case study will therefore contribute to the cumulative body of knowledge in that field". (Yin, 1993, p110)*

This particular case study investigates not only the effects of the Finance Department's processes on the individuals impacted, but also the relationships and power struggles between these individuals and groups giving rise to their attitudes towards the changes. The sources of evidence for this case study are through a triangulation approach of semi-structured interviews and observation (Gillham, 2000). As illustrated by Yin (1994), the case study relies on many of the same techniques as those used by a historian, but it includes two additional sources of evidence which are not usually included in the historian's repertoire: direct observation and systematic interviewing. These two sources of evidence are most appropriate in answering the research questions of 'how' and 'why'.

4.5.2.1 CASE STUDY PROTOCOL

This case study was performed only after several important events had taken place. The first of these events was gaining permission from the Company to perform the research. This was granted by the Director of the Department at the time (M3). After discussions about what would be involved, the researcher assured the Company that all the data and information collected would be treated in the strictest of confidence and that no sensitive information would be disclosed

(Collis & Hussey, 2003). The researcher signed a confidentiality agreement which stated that she would not disclose the name of the Company, or any individuals interviewed, in the event that the thesis was published. Once the researcher had approval by the Company to perform the research, she then received ethical approval from her university.

University ethical approval was obtained, then permission was gained from the various workers and managers stating they were happy to be participants in the research. This was done by the researcher emailing them a brief outline of the aim of the research, and how the research would be performed and for what purpose. The email also contained a request that, if by their own free will, they wished to partake in the interviews, that they email the researcher back stating that they understood the nature of the research and they were happy to participate and also had the right to withdraw without consequence. The email stated clearly that there was no advantage or disadvantage afforded to individuals who participated or chose not to participate. The email also stated that interviews would be recorded but management would not be told who participated and who elected not to participate. This was to prevent any kind of adverse reaction or bias arising as a result.

All of the interviews were tape recorded and the tapes from the recorder were held in a set of locked drawers at the Company, to which only the researcher had the key. The interviews were transcribed by the researcher alone. This ensured confidentiality of the data, in that no-one else got to hear the interview scripts. After the interviews were transcribed, the recordings were stored in a locked cabinet at the researcher's home. The typed interview scripts were saved on to the hard-drive laptop of the researcher, not assessable from the server. The laptop was solely in the possession of the researcher, and when at work was locked to her desk (with only the researcher holding the security key). Access to the computer was password protected, with only the researcher knowing the password.

Observation notes consisted mostly of typed notes, again done on the researcher's laptop with all the various security measures associated with that. Any hand written notes that the researcher created from observation, were stored in the same locked set of drawers with the digital recorder. When they were typed up and stored on the researcher's laptop, the hand written notes were

shredded by the researcher through the Company's confidential waste system to ensure that no one could view them.

4.5.2.2 SEMI-STRUCTURED INTERVIEWS

> *"This (semi-structured interviews) is the most important form of interviewing in case study research. Well done, it can be the richest single source of data". (Gillham, 2000, p65)*

Semi-structured interviews allow for the collection of detailed and specific information about system requirements, current operations or more general issues (Byrd et al, 1992). This type of interview enabled the researcher to become aware of the more specific areas of the Finance Department by allowing insight into the details. It also highlighted general issues or main themes that re-emerge on a regular or consistent basis throughout all or some of the interviews.

The interviews used within this case study were semi-structured, in that a set of interview questions was prepared in advance yet many of the questions were open-ended to allow the interviewee more flexibility in their responses. The interview questions are provided in Appendix 5. The advantage of using this kind of interviewing technique is that the interviewees often will feel more relaxed as it is slightly less formal than a standardised or fully-structured interview (Collis & Hussey, 2003). Also, the researcher is able to respond more and explore in greater detail to areas of the interview that are of particular interest or focus to the interviewee.

The aim of the semi-structured personal interviews was to get the interviewees to open up and express freely their true feelings about what was asked in order to help the researcher understand that individual's 'reality'. As stated by Gillham (2000), the flexibility of the semi-structured interview is what makes it such a productive research tool. To help facilitate free expression, the interviews were conducted at the interviewees' place of work so it was considered to be a familiar and comfortable environment. Many open-ended questions were asked to enable the respondents to feel they could reply in their own words, and close-ended questions were asked on more specific issues so that comparisons could be more easily drawn between interviewees.

The interviews lasted between 45 minutes and one hour. The interview questions highlighted how that person reacted and may react to different aspects of the

Finance Department. For this to be a complete analysis, the interviewee's experiences, opinions, feelings, knowledge and power relations were all considered. The questions focused on how the changes had impacted upon workflows for the individuals, giving insight into power relations which existed. These interviews were tape recorded with the permission of the interviewee, and transcribed in full to allow close analysis of the interview results.

All of the workers and management of the Finance Department were interviewed, along with a sample of workers and managers from other closely related departments so that the data collected is representative of those who were impacted by the changes in the Finance Department for the critical methodology. The managers who were selected were the heads of each of the closely related departments or divisions. Often they would have one key worker below them who performed the majority of the critical tasks for that particular manager, with various other non-key workers. The workers selected for interviewing were all key employees. The criteria for deciding upon which individuals were 'key' was whether they performed 'business critical' tasks, in that they performed tasks that were essential to the running of the business and typically would be the only individual at their level who could perform those critical tasks. This definition of 'key' was decided upon by the researcher.

A list of the people who were interviewed is shown in table 4, within section 5.1.3. The interviews were all digitally recorded then transcribed by the researcher. Departments which were deemed to work closely with the Finance Department included other areas within the corporate function such as Treasury, Fiscal, Investor Relations and Corporate Communications as well as the three different divisions being Mail, Express, and Logistics. The Chief Executive Officer (CEO) was interviewed but the Chief Financial Officer (CFO) was deliberately excluded due to having only recently being appointed the position externally at the time of the interviews and therefore having had limited experience of the workflows.

The questions asked in the interviews had the aim of finding out respondents' impressions of how the Finance Department had affected them to date, how they perceived it might affect them in the future, and how they perceived the worth of the Department worth to them. Specifically the interviewees were asked about their level of satisfaction with the Finance Department. Their opinions were also sought in relation to any additional information or services that they felt the

Finance Department could provide them. They were also asked if they could suggest any improvements that could be made to assist in improving the efficiency and usefulness of what the Department provides.

All of these questions gave the researcher a strong impression as to how these individuals had reacted to and resisted the Finance Department according to relationships and their knowledge. This enabled the researcher to derive a 'power ranking' for each individual interviewed. This 'power ranking', ranked the managers and the workers according to how much power they used in their relationships in the Finance Department. This ranking was decided upon by the researcher from a combination of analysis of the interviews and observation.

4.5.2.3 OBSERVATION

> *"…Observational studies have been fundamental to much qualitative research. Beginning with the pioneering case studies of non-Western societies by early anthropologists (Malinowski, 1922; Radcliffe-Brown, 1948) and continuing with the work by sociologists in Chicago prior to the Second World War (Thomas and Znaniecki, 1927), the observational method has often been the chosen method to understand another culture". (Silverman, 2000, p89)*

The method of observation has been chosen as an appropriate method for the case study research performed for this thesis for several reasons. As Foucault (1977) noted, both observation and interviewing have been used in different areas to produce understanding of the 'hows' and 'whys' of human behaviour. Foucault (1977) stated that the observation of the prisoner has been at the heart of modern prison reform, while the method of questioning used in the interview reproduces many of the features of a Catholic confessional or the psychoanalytic consultation. Observation in the context of the research performed for this thesis enabled the researcher the ability to gain greater understanding (as discussed by Silverman, 2000) into how the individuals had behaved and why they had behaved in that particular way (as discussed by Foucault, 1977).

According to Collis and Hussey (2003), there are two ways in which observation can be conducted: participant and non-participant observation.

> *"The purpose of non-participant observation is to observe and record what people do in terms of their actions and behaviour without the researcher being involved. The observer is separate from the activities which are taking place and the subjects of the research may or may not be aware that they are being observed…Participant observation is a method of*

> *collecting data where the researcher is fully involved with the participants and the phenomena being researched. The aim is to provide the means of obtaining a detailed understanding of the values, motives and practices of those being observed". (Collis and Hussey, 2003, p171-172)*

In the context of the research performed for this thesis, the researcher would be classified as a participant observer, as she was employed by the Finance Department under observation at the time. As stated by Collis and Hussey (2003) above, this had the advantage of allowing the researcher to gain a detailed understanding of the values, motives and practices of those being observed. This understanding would have been difficult to obtain in any other way. The knowledge about individuals' roles was privileged to those who worked in the Finance Department for a considerable period of time (approximately six to 12 months or more) under observation. This made information about the roles, something that only a few people would have been able to share.

> *"Another distinct opportunity is the ability to perceive reality from the viewpoint of someone 'inside' the case study rather than external to it. Many have argued that such a perspective is invaluable in producing an 'accurate' portrayal of a case study phenomenon". (Yin, 1994, p88)*

Researchers such as Collis and Hussey (2003), state that there are a number of problems associated with observation techniques. In relation to observer ethics, Collis and Hussey (2003) say that objectivity issues due to observer bias and the impact the researcher has on those observed, can arise as potential problems. Yin (1994) states that problems around biases may exist where the participant observer becomes a supporter of the organisation studied, or has to assume a position which is contrary to the interests of good scientific practice.

According to Silverman (2000), quantitative researchers argue that observation is not a very reliable data-collection method because different observers may record different observations. This relates to the concerns around observer bias and individual differences between different observers which may lead to them viewing the same situation in a different light.

In relation to this case study, the interpretative method accepts the obvious researcher bias that exists from observation. Also, from a Foucauldian perspective it is totally acceptable as this is simply observation from this researcher's perspective and nothing more. The researcher was not in a management role within the Finance Department under study. This, therefore meant, that she was less likely to be in a position to influence or direct the

Finance Department in such a way as to breach the interests of good scientific practice, as discussed by Yin (1994). This means that the researcher accepts that these limitations may exist and highlights that they may exist within her research.

The method of observation in the context of the case study research performed for this thesis, involved the researcher observing the behaviours of the individuals interviewed for this thesis. The observation was undertaken by the researcher herself in an endeavour to evaluate several things including:

- the way different individuals reacted to and resisted the changes and work processes;
- the power rankings, both informally and formally between the different individuals;
- the Finance Department's strengths and weaknesses from the researchers observation;
- why individuals reacted and resisted the changes, and work processes taking into account their power rankings.

The researcher kept a diary of events, plans implemented, conflicts, ideas and behaviours of the employees of the Finance Department as well as drawing on her own thoughts and undocumented ideas about the different individuals. These observations took place during meetings, coffee breaks, informal work gatherings as well as during day-to-day work conducted within the Finance Department. Due to the researcher having spent considerable time working with the staff interviewed, and having a strong interest in the process, this form of observation is well suited to this research.

4.5.2.4 ETHICAL IMPLICATIONS

> *"…there are no easy answers to most ethical dilemmas. Some commentators believe that firm ethical principles should be established for business research; others believe that such a code would be too simplistic and rigid…Your own ethical position will help you determine how to design your research project". (Collis & Hussey, 2003, p39)*

The researcher was an employee of the Finance Department under study, and there are numerous ethical implications that arise as a result.

Firstly, the researcher had to talk to other employees of similar levels, both within and outside of the Finance Department. These people were her work peers and colleagues who would frequently talk to her about issues within the Finance Department before she started the research. This meant that this researcher had already started to establish quite strong bonds with the individuals impacted by the changes within the Finance Department. As a result, most of the individuals would have felt quite comfortable discussing how they felt despite it being in a formal setting as opposed to having an informal chat with her. This level of pre-existing trust was something that the researcher had to respect and honour; along with transparency of intent so that it was clear to the participants that there would be no level of deception at any point of the research.

A different set of ethical issues were raised when the researcher interviewed the managers, who were all more senior than the researcher. The managers had often discussed within themselves issues within the Finance Department prior to the research being conducted, but not with the researcher. This was due to the fact that most managers liked to discuss issues such as these within their own peer group, and not with workers who are hierarchically ranked lower than themselves. Lack of prior discussion of the issues with the researcher may have meant that the management group found it a little harder to relax in the interview situation and give as open and honest opinions as the workers did. However, the researcher gave assurances that their opinions would be kept confidential to encourage group confidence in speaking their minds freely. During and for a year prior to doing the research, the researcher was working in a role within the Company where confidentiality was a key requirement due to knowing market and share price sensitive information. The researcher had shown that she could honour the confidentiality that was required of her by never breaching it, so as a result the interviewees, both management and workers, could have felt assured that she would extend this ability to the research. Also, the thought that the overall research would help the Finance Department understand why people reacted to work allocations in the way that they did, appeared to encourage managers to contribute openly.

Another ethical consideration is that this researcher had her own interpretation of the difficulties in the Finance Department prior to research being conducted due to her employment situation. Her past experiences and informal discussions with other employees of the Company helped form her decision that the situation warranted investigation and research. This could have meant that the researcher

potentially had some pre-formed ideas as to the outcome of the research and the key issues that would arise. However, as the researcher was well aware of the potential bias, she endeavoured to maintain an open mind with the research to minimise the potential impact of this. As discussed in section 4.1, the researcher acknowledges any potential bias and accepts that under the interpretative method, that the research is discussed heavily from her own interpretation of the interviews, events and actions of different individuals.

Also of ethical consideration is the confidentiality of the material collected. As discussed in section 4.2.2.2 of this chapter, confidentiality of data was preserved by storing tapes, interview scripts and observation notes in lockable storage to which only the researcher had the key. Access to any electronic copies of the material was restricted to the researcher alone by only being stored on the researcher's computer hard-drive and with all files also being password protected.

4.6 DATA ANALYSIS

Both interview and observation data was analysed using what might be considered by some to be an 'alternative' approach which does not seek to verify what the respondents say through external checking of statements or assertions made by participants (Silverman, 2000).

> *"This approach claims that, by abandoning the attempt to treat respondents' accounts as potentially 'true' pictures of 'reality', we open up for analysis the culturally rich methods through which interviewers and interviewees, in concert, generate plausible accounts of the world". (Silverman, 2000)*

The researcher believed that this was an important way to analyse the data as under the interpretative methodology, the interpretative philosopher believes that social reality does not follow logical reality and that from observation of how people act, it is possible to deduce explanations for their behaviour (Chua, 1986). An interpretative researcher would commonly use case studies to understand actors 'life-worlds', which is a method that gives much to gain about the understanding of accounting in action (Chua, 1986).

Another reason that the 'alternative' approach to analysing the data collected under the methods selected, is that the interpretative relies on the definition of the situation from the point of view of the person being researched. This fits well with both observation and interviews methods being used as a triangulation

approach (Gillham, 2000) and the alternative data analysis approach (Silverman, 2000) being used to analyse the data. This would help the researcher draw conclusions as to both how the person acts as well as what they say, giving the researcher an understanding of that individuals 'life-world' (Chua, 1986).

Within the triangulation (Gillham, 2000) approach, the researcher used 'pattern-matching' (Yin, 1994) as the dominant mode of analysis. Pattern-matching is where an empirically based pattern is compared with a predicted one, and if the patterns coincide then the internal validity of the case study is strengthened (Yin, 1994). Observation had allowed the researcher to draw her own predictions about the power relations between individuals within the case study. These predictions were written down in diary format and then compared with the interview findings. In all cases, the researcher found that the observation data reinforced and strengthened the findings from the interviews conducted.

The data from the interviews was transcribed by the researcher, as discussed in section 4.2.2.4 of this chapter, and from the transcripts, the researcher set to understand that persons power relationships and workflows within the Company, from their own perspective as well as her observations. The research questions focused on how the changes had impacted upon workflows for the individuals, giving insight into power relations which existed. This helped address the research questions of do power relationships follow hierarchies; how do power relationships impact individuals, hierarchies and workflows; and what impacts upon and influences power relationships, and how can this create forms of resistance?

4.7 SUMMARY

The research for this thesis was conducted using a case study method under the interpretative methodology with a Foucauldian perspective. The triangulation approach of using both semi-structured interviews as well as observation under the case study method was chosen as it would provide greater insight into whether power relationships follow hierarchies, how power relationships impact upon individuals, hierarchies and workflows, and also how power relationships can give rise to different forms of resistance.

The qualitative methods chosen suit the Foucauldian perspective adopted and also the interpretative methodology used. The method and methodologies chosen

have shaped the findings of the case study, as discussed in the next section of this thesis. Due to the nature of the Finance Department, its inherent workflows and changes in hierarchical positions over time, power relationships were perhaps more pronounced due to the changes being a disguise for the exercise of power. Chapters five and six discuss profiles formed for each of the individuals interviewed, and rank them according to their power rating. This power rating is then compared to their job description on paper and there is discussion on how power relationships then impact on workflow or promote forms of resistance.

5 CASE STUDY DATA I

5.1 INTRODUCTION

This chapter starts with a description of the Company, the Finance Department and the participants of the research and then discusses the profiles.

> *"A Foucauldian study is interested in how power is exercised and also in how the exercise of power is averted or resisted (itself, an exercise of power). But its objective is somewhat different. The aim is not so that ways of making people comply can be refined but so that one can begin to see the possibilities for the exercise of power in organisations to be resisted, and for new forms of organisation to emerge". (Kearins, 1996, p2)*

The case study data is split into two chapters. The objective of this chapter is to discuss profiles formed for each worker interviewed, and rank them according to their power rating. This power rating is then compared to their job description on paper. Then, individual examples are examined to enable a Foucauldian discussion on how power relationships then impact on workflow or promote forms of resistance. Chapter six has a similar objective but is concerned with each of the managers interviewed.

5.1.1 THE COMPANY

The Company is a global company providing Mail, Express and Logistics services under two brands (Brand One and Brand Two). With 130,000 employees, the Company provides services in more than 200 countries, with company owned operations in 64 countries. The Company is the world's first publicly traded company with roots in the postal business.

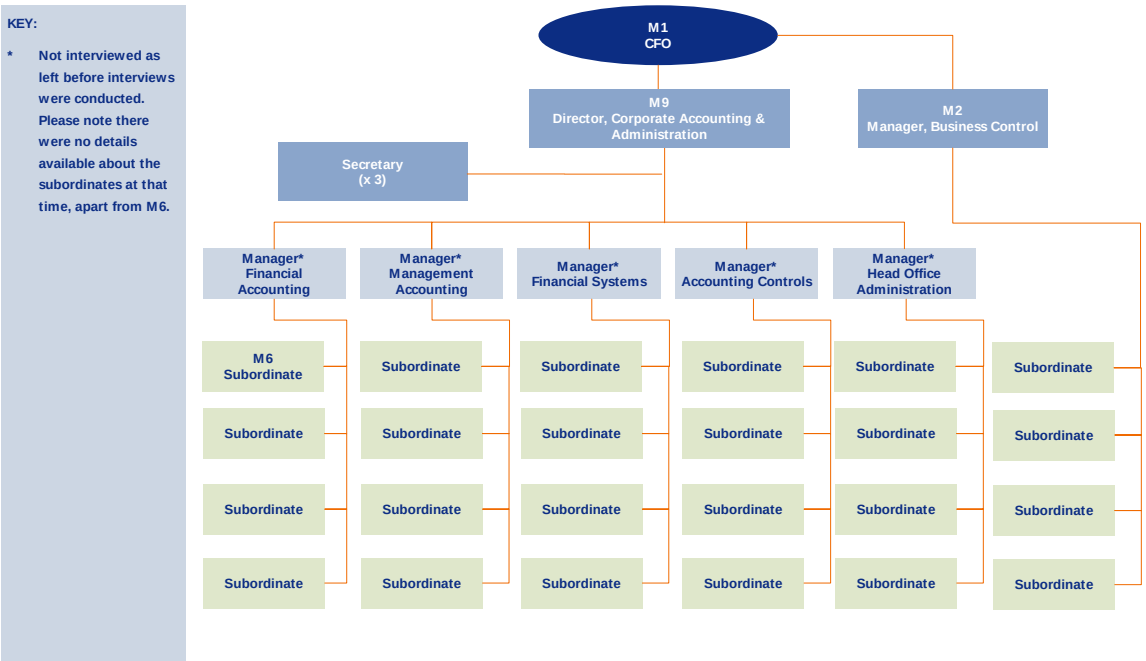
In 1989, Brand One incorporated as part of a Netherlands' Telecom provider. Since this incorporation, Brand One had developed from a conventional state-owned postal operator into a dynamic company offering domestic and international express delivery and logistic services in addition to mail services. In a move to become a more competitive global player Brand One acquired Brand Two, a worldwide transport and logistics company in December 1996. With the acquisition, Brand One also became the sole shareholder of a global express delivery provider. Brand One and Brand Two have shared an interest in this provider since 1992.

In June 1998, the Mail, Express and Logistics businesses of the Telecom provider were split to form the independent Company. Mid year 1998, the Company was listed on the Amsterdam, New York, London and Frankfurt stock exchanges. This is when the large changes commenced at this point. A new company formed by combining two established companies from the opposite sides of the world. Brand Two, although involved in the same market of international express delivery, was founded in Australia and brought with it a different culture.

> *"The Company's mission is to achieve a recognised world leadership position through excellent service to customers of their three Divisions – Mail, Express and Logistics – based on a strong market positions in Europe". (The Company's 2001 Pocket Guide)*

As a result of the change in structure of the Company due to the splitting of the Divisions, centralised Corporate Head Office ("Corporate HO") functions had to be formed. This included a centralised Finance Department, and in August 1998, the structure of this new department was as follows:

Figure 1: The Company's corporate head office finance department structure as at 1 August 1998



Source: Company Strategy Powerpoint 1998

The corporate strategy of the Company is to base leadership on high brand awareness, impeccable reputation, and above-average profitability and growth. The Company's strategy is based on a value based management approach which focuses on managing the drivers that maximise total shareholder returns.

The Company believes that the global landscape is changing and that there are four major emerging trends which are going to offer opportunities for the Company to move their business beyond traditional boundaries. These four trends are globalisation, deregulation, outsourcing, and internet technology. Using value based management principles, the Company has in place a new five-year strategy that will take advantage of these trends and accelerate their growth.

The Company's Corporate HO has its own set of aims and value drivers, as listed in Appendix 6. However the Company's Corporate HO experienced some initial difficulties and this case study highlights many of the problems that existed.

One of the more significant difficulties was a lack of unity between the Corporate HO and the different Divisions: Mail, Express, and Logistics. This arose when Brand One purchased Brand Two in 1996. At that stage, it appeared that each Division wanted to continue operating as a fully independent business in their own right. This hindered the Divisions working in harmony towards a common goal and hence the overall success of the Company. There was a certain competitiveness between the Divisions as to which is the most efficient, profitable and successful. The difficulty was compounded as it was probable that each Division defined success in different ways. Although this can provide a positive influence in that it drives the Divisions to strive for improvements, there is also a negative impact in that the competitiveness may stop Divisions from sharing information and working cohesively towards common goals. It can also foster a negative atmosphere where people are always trying to prove how good they are by portraying people from other Divisions in a bad light. These negative side effects were most obvious to Corporate HO who were a cost centre and not a profit-making division. They are also removed from the competitiveness in the sense that they exist to support the overall Company including the Divisions.

Mail, Express and Logistics wanted simultaneously to be treated identically and differently by Corporate HO. No Division wanted another to be favoured by Corporate HO and therefore often demanded that exceptions were not made for other Divisions. However, at the same time, if the differences were to advantage their own Division, then they would want this as well. As an example, the Mail Division failed to meet some reporting deadlines that all Divisions were required to meet. This lack of regard for reporting deadlines may have resulted from Mail being the most profitable Division with much of their earnings supporting the

developing Express and Logistics Divisions. This perceived sense of superiority infuriated other Divisions including Corporate HO who often worked considerable over-time in an effort to adhere to the deadlines.

5.1.2 THE FINANCE DEPARTMENT

The Finance Department's organisational structure changed from a flat composition to a hierarchy. Hence the levels of authority shifted and employees who were used to having a very flat reporting structure were accountable to more layers of management. The general feeling was that the Finance Department's structure was not clear enough and that this was causing confusion for those outside of the Department who have dealings with the Finance Department.

The relationships between the Finance Department and all other corporate functions such as Treasury, Fiscal, Corporate Communications and Investor Relations have an impact that cannot be underestimated. Each department has its own culture which has developed from the individuals who comprise that department. The power relationships between the individuals impact upon how the work is allocated, delegated, and performed.

Both workers and managers within the Finance Department and outside of the Finance Department have been observed and interviewed. This is so that both perspectives can be represented and analysed in order to highlight the power rankings of individuals, both within and outside the Department.

Hierarchy diagrams of the workers and managers show their placement according to job description as well as their power rating. It is important to note that the titles shown on the diagrams do not necessarily mean that the individuals are more or less senior than others in their particular grouping. For example, an individual could have 'manager' in their title, yet be grouped in the workers category because there are no lower positions within that particular department.

The following sections within this chapter contain descriptions of each of the individuals interviewed, with a brief introduction as to their characteristics and personalities, their job description, their actual power ranking, and other relevant pieces of information. The term 'interpersonal power' has been used as an umbrella term, encompassing attributes such as physical attractiveness, demeanour, personality, presence and appeal to others. This is an important

element of a person's overall power as interpersonal power tends to generate relationships of varying kinds. Without interaction, there are no relationships, which are all essential to the generation and flow of power. The evaluation of each individual's overall power level is all from a Foucauldian perspective.

5.1.3 THE PARTICIPANTS

13 workers and 12 managers were interviewed for this case study. Six workers and five managers had jobs within the Finance Department. The other seven workers and seven managers had jobs in other departments such as Treasury, Fiscal, Tax, Corporate Communications or one of the three Divisions. All of the individuals interviewed from these other departments, had relationships with the Finance Department and this was a key criteria in selection of the participants. The Finance Department is reliant on getting information from all of these Departments, and consequently either directly or indirectly from the individuals interviewed, for their deliverables. All the participants, their job titles and their ranking (which is explained later in this section) are listed in Table 4 within this section.

The Finance Department has reliance on all of these other departments to get the accurate, relevant and correct information in a timely manner. Subsequently, these other departments must have faith that the Finance Department will reflect their information to the Board and the public in the right way. As a result of the reliance and interdependence on both sides, the relationships that exist between these departments are critical. Ideal relationships would be filled with trust, honesty, respect and openness. The reality is that there are so many different personalities that exist within each department's hierarchy who all have differing power relationships with others, impacting hugely on the workflow between the departments. Comprehension of the power relationships between individuals, compared to their hierarchy and the workflow between departments can assist in understanding resistance that permeates these departments, hindering productivity.

Table 4: The participants and their job titles

Within the Finance Department : Workers	Worker's ranking
Senior Management Accountant (Express divisional representative)	W9
Group Financial Accountant (Mail divisional representative)	W5
Group Financial Accountant	W2
Senior Group Financial Reporting Accountant	W7
Group Financial Analyst	W3
Personal Assistant to M6 & M8	W8
Within the Finance Department : Managers	**Manager's ranking**
CEO	M1
Director of Special Projects	M2
Director of External Financial Reporting and Planning	M6
Director of Internal Financial Reporting and Planning	M8
Group Financial Accounting Manager	M5
Outside the Finance Department : Workers	**Worker's ranking**
Manager of Investor Relations	W10
Corporate Finance Manager for Treasury	W11
Manager Tax Compliance for Fiscal	W12
Logistics Business Controller	W1
Logistics Business Controller (Ex-FRP employee)	W6
Mail Business Controller	W13
Express Management Accountant	W4
Outside the Finance Department : Managers	**Manager's ranking**
Director of Investor Relations	M9
Director of Treasury	M10
Director of Fiscal	M11
Logistics Finance Director (Ex-FRP director)	M3
Express Finance Director	M4
Mail Finance Director	M12
Director of Corporate Communications and Human Resources	M7

Source: Researcher's own analysis from interviews and observation

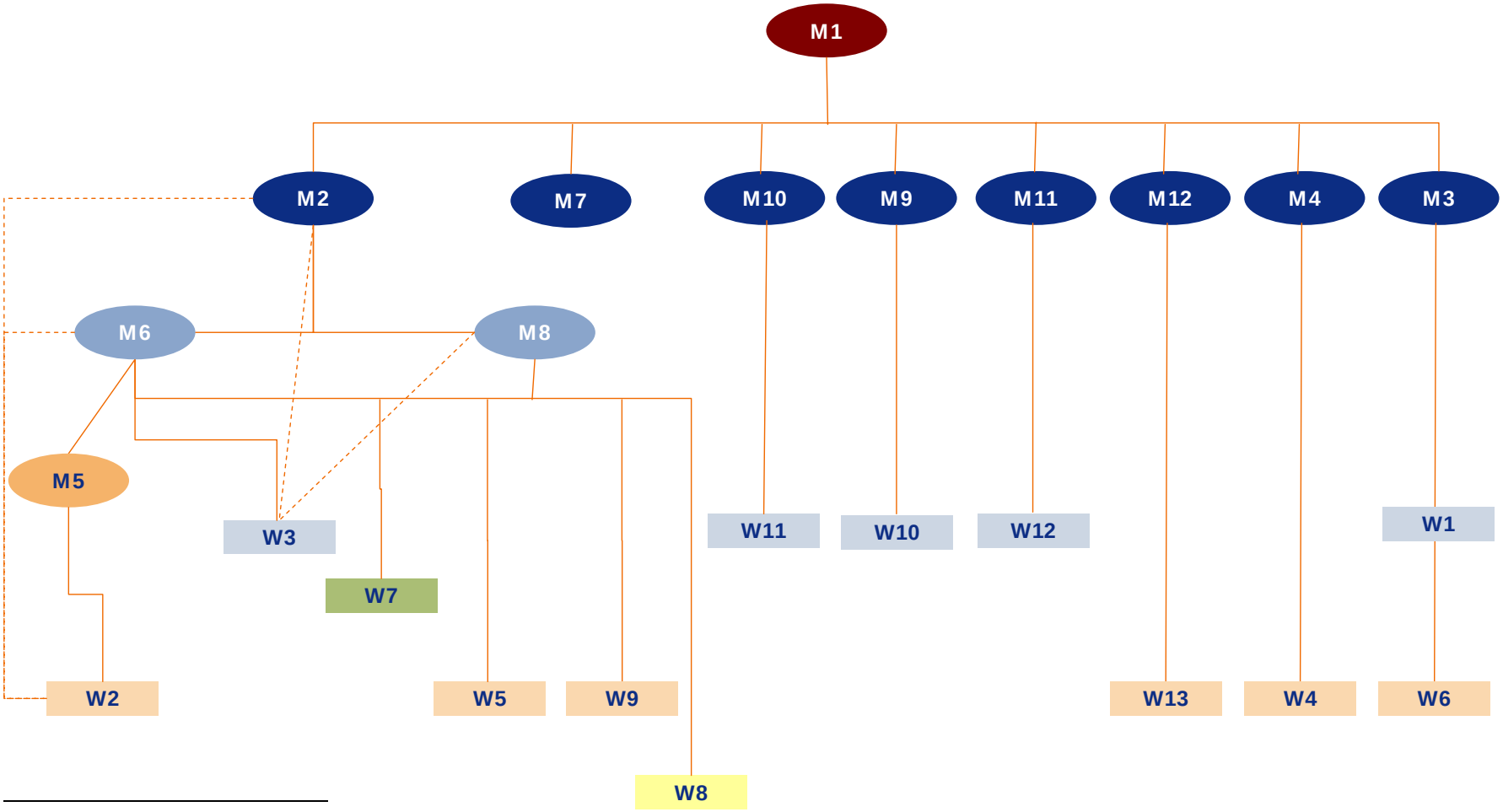
Hence, the workers and managers have been divided into two categories; either within the Finance Department or outside of the Finance Department. They are

then ranked according to their informal power structure, with the most powerful being listed as W1 and so forth down to the lowest ranked worker being W13. These rankings in no way take into consideration the workers official position within the hierarchy according to job description and seniority. Hierarchy diagrams have been created to show both of these things and enable evaluation of the work flow and the relationships which impact upon these particular individuals.

Figure 2 which follows, is a hierarchy diagram that gives an overview of all of the individuals interviewed for this case study and shows their placement according to job description. The higher the individual is shown on the chart, the more senior they are in terms of official job description. The lines linking the workers to the managers show their official reporting lines. The dotted lines are unofficial reporting lines, but hierarchy all the same.

All of the managers and workers who are shown at the same height, hold the same type of position. For example, M2, M7, M10, M9, M11, M12, M4 and M3 are all Directors. To assist in seeing the different levels of seniority, the individuals have been given differing colours according to their official levels. However, as individuals have been allocated unofficial power rankings, which are not necessarily in line with their seniority, these rankings are also shown. The labelling of each individual, for example M1, or W3, shows their unofficial power rating at the time of interviews. From this, it can be seen that although M5 does not have a very senior position in the hierarchy, he is more powerful than many of the managers who are several levels above him.

Figure 2: Overall Structure as at 28 March 2003[1]



[1] Please not that the dashed line represents an unofficial reporting line

Source: created from interview and observation notes taken by the researcher during the course of the case study

5.2 WORKERS – WITHIN THE FINANCE DEPARTMENT

As discussed in section 5.1.3, the case study has been split into two, with chapter five being the case study analysis being on the workers and chapter six being the case study analysis of the managers. From here, the workers and managers are split according to where they work: within the Finance Department and outside of the Finance Department. The analysis was developed from both the interviews and observation combined, and produced into a personal 'pocket biography' or profile for each individual.

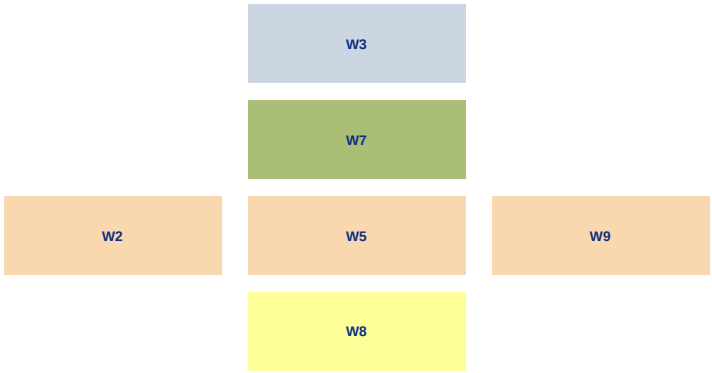
The objective of this chapter is to discuss profiles formed for each of the workers interviewed, and rank them according to their power rating. This power rating is then compared to their job description on paper. How power relationships then impact on workflow or promote forms of resistance are then discussed. This chapter, as well as the following chapter six, is the combination of the researcher's understanding of the Foucauldian concept of power as applied to these individuals, using the interpretative methodology selected which feeds into the case study method chosen with a triangulation (Gillham, 2000) of observation and interview methods.

Thirteen workers were interviewed for this case study, with six workers having jobs within the Finance Department and the other seven workers having jobs in other departments such as Treasury, Fiscal, Tax, Corporate Communications or one of the three Divisions. These individuals are discussed within this chapter.

The following diagram (Figure 4) illustrates all of the workers interviewed for this case study within the Finance Department, shows their placement according to job description, as well as showing their power rating at the time of interviews. The researcher derived the power rankings for each individual after analysis of all interview scripts and observation records. This 'power ranking', ranked the managers and the workers according to how much power they used in their relationships in the Finance Department.

These individuals are then discussed in order of their power rating. It is important to note that none of these workers officially report to each other but the diagram below shows their unofficial hierarchy according to job description.

Figure 3: Workers within the Finance Department as at 28 March 2003



Source: created from interview and observation notes taken by the researcher during the course of the case study

The following sections 5.2.1 to 5.4.3.1, are the analysis that was developed from both the interviews and observation combined, and produced into a personal 'pocket biography' or profile for each worker.

5.2.1 WORKER TWO (W2)

"The Fat Angry Dutchman"

W2 is a contentious, difficult Dutch man who trained as a lawyer but is working as an Accountant/Analyst. He has been with the Company in varying roles for the past 28 years. W2 works mostly on external reporting, doing analysis and report writing for the Annual and the quarterly Supervisory Board reports, as well as assisting to write accounting policies and procedures for the Company in accordance with International Accounting Standards. He also produces slides for any analyst presentations relating to the Company's financial results and he works closely with the Investor Relations department (W10 and M9) to do this.

When producing presentations for the Investor Relations department, W2 has a direct impact on the workflow of W10 and subsequently M9. W10 needs the financial information from W2 before she can prepare the commentary for M9. In supplying the information to W10, W2 does have ultimate power as he sets the dates for when he should do this. If W2 does not perform the analysis for her in a timely manner, then consequently both W10 and M9 will have less time to perform their analysis and will have to work extremely hard to meet their

deadlines to the market. The deadlines that Investor Relations have with presenting the financial results of the Company to the market are not flexible as the analyst presentation dates are communicated externally and therefore must be met. These deadlines are never missed as it would send a negative message to the market. Essentially, the fact that the information W2 provides is so critical and time sensitive, gives him an enormous amount of power in his relationships with both W10 and M9.

Despite the fact that W2 has this power and the ability to critically disrupt the workflow, he still works very diligently to get the information to W10 as quickly as possible. However he will not sacrifice quality or accuracy in doing so and is quick to point out that he is happy to hold the information back from them until he is satisfied that it is correct, which would control and disrupt their workflow.

According to his job description, W2 should work solely for M5. However, he does get asked to do various tasks occasionally by M6 or M2. He is someone who likes structure and knowing to whom he is accountable. W2 is openly unhappy about the current situation where he reports to one individual formally, but two others informally. He likes to be left alone to do the job after receiving instructions. W2 is extremely forthright and open about his views, many of which are mostly disparaging towards management.

> *"There have been changes more than once a year – this is too often and causes people to lose their network. It is confusing – we have shared bosses and this means spilt personalities. I cannot serve two masters 100%". (W2, interview quote, 2003)*

W2's workload is cyclical and is heavily impacted by the Company's reporting cycle. At the end of ever quarter, he is extremely busy and will work long hours and weekends to get work done within very tight timeframes which are imposed from M1 at the top and filtered down to M5. During the quarters when his workload is manageable, W2 is quite happy to work standard hours and leave the office at 5pm.

W2 impacts upon M5's workload as he supplies him with the financial information for the reports. Although W2 is aware that he has this potential to disrupt M5's workload, he does not threaten M5 with it. He instead seems to view the M5 and himself as a little team, and consequently will work very hard to get the work

done for M5 on time. His respect for M5 is illustrated later in this section by the way he defers to M5 on decisions and says ‘you are the boss’ frequently.

The fact that W2 is happy with his very heavy workload is more to do with the power that he gains from feeling wanted, indispensable and needed. The more ‘exclusive’ W2 feels his work is, by way of thinking that everyone thinks he is the only one that can do the work, the more power W2 seems to feel. This gives W2 a feeling of superiority over other workers and sustains his motivation to work hard during periods of extreme stress and fatigue.

W2 is not adverse however to handing over work that he believes is ‘below’ him. He will often pass work onto W9 and seems to derive power from being able to delegate work. This way, W2 seems to manage to accept lots of work and get it done, mostly by himself but partially by delegation, gaining power from both of these scenarios.

As W2 is very competent at meeting deadlines, he does not get a ‘backlog’ of work. He experiences periods of two months of less demanding work between his extremely busy periods. During these two month gaps, W2 assists W3 with implementing International Accounting Standards across all the business units. This is an enormous task as the Company is based in over two hundred countries, and must comply with Dutch Generally Accepted Accounting Principles, United States Generally Accepted Accounting Principles, United Kingdom Generally Accepted Accounting Principles and the new International Accounting Standards. All of these principles and standards must be covered and the resulting Company accounting policy must be understandable, clear and easy to apply. This is particularly important as the majority of the financial controllers who would have to put these into practice, have English as a second, third, fourth or fifth language. W2 is technically minded and he enjoys breaking down the terminology and debating the meanings of the different standards with W3. This was also a chance for W2 to show his intellectual ability, language skills and to exercise power by trying to get W3 to concede to his way of thinking.

W2 oscillates between being well liked by his colleagues to being barely tolerated. He has an enormous amount of company specific knowledge and is extremely good at his job giving him knowledge power.

Although somewhat temperamental, when he has the time and inclination, W2 can be an excellent teacher and passes on knowledge to more junior members of staff freely and with patience. At other times, he is extremely rude and obnoxious. He will blaspheme about anything that annoys him, refuse to do certain parts of his job and generally creates a very toxic environment around him. The fact that W2 blasphemes openly in the office, regardless of who is around him, is a sign that he feels above reproach and it is a clear demonstration of power and disparagement towards management. W2 projects this disparagement as he believes management are lacking in knowledge power.

W2 is not career minded at all. He is frequently heard saying that he has no desire to play the political games required to get ahead within the Company and if people don't like that, then it is tough. W2 is the most casually dressed of the whole Corporate Finance Department and will never wear a suit to work. He often wears sandals or jandals, an old shirt and green corduroy pants. This is seen in some ways as his stamp of independence. It is his way of showing that he does not feel he has to conform as he is secure enough in his own position that he does not consider he has to adhere to the Company image or be like anyone else to retain his job. As W2 has been at the Company for so long, people have come to expect this of him, and is not reprimanded for his less than conventional dress. This is W2's way of showing resistance and denouncing his desire for power – it says 'I am not going to conform to get ahead'.

W2 can also be slightly remiss about his personal hygiene often sweating and smelling quite badly. He has responded to complaints about this situation by claiming that it is something he cannot control. It is possible that this is yet another tactic by W2 to denounce his desire for power through conformity.

W2 is gay and very open about his sexuality. He does not conform to the 'typical' gay image, through his lack of personal hygiene and his disregard for stylish clothing which again is his way of denouncing desire for power. He is not flirtatious with other men, or woman for that matter, but will openly say when he thinks that someone is good looking, whether or not it is appropriate to do so. Again, this is W2's way of saying, 'I don't care if you think what I say is right or wrong – I think it, therefore I will say it'. This illustrates how willing W2 is to risk relationships and shows a blatant disregard of appropriate behaviour.

A large number of the more junior and newer Finance Department staff take a lot of what W2 says on board. Due to W2's experience and strength of character, he is considered by these newer members of staff as someone of power and influence, which he is to a certain extent because of his strong knowledge power. Strangely, although W2 has power and influence, power does not really interest him as much as one might think. He constantly shows distain towards the traditional way of attaining power. W2 is quick to criticise and suggest better ways of doing things, but in the same breath will say that taking over the leadership role himself does not appeal, again denouncing his desire for power. He can take orders from his immediate boss (M5) well, and often quips when walking back to his desk to start a newly assigned task 'Whatever you say, you are the boss'. This is often said in quite an accepting manner, not in a hugely sarcastic or resentful manner as one might expect.

W2 is however, very pleased when people have to defer to him or admit that he was right about a certain thing he has advised. W2 loves being able to say 'I told you so'. W2 can alternate between being both the dominant and the submissive party in relationships, although as a general rule he is usually the dominant party in relationships with other workers and is the submissive party in relationships with managers. He does, however, have the capacity to challenge managers and assert his dominance and power when he feels it is necessary and is confident in his knowledge. This point of necessity usually arises from W2 proving that he is correct about something and this is linked to his knowledge power.

W2 tends to talk about the politics and power struggles within the Finance Department almost daily over a coffee break. The Finance Department staff who are around him, vary as to whether they agree with him or think he is being overdramatic. This makes W2's ability to exert power fluctuate very rapidly. When he is calmer and measured with his thoughts, he is consequently listened to more by his colleagues and shows greater potential to take the number one power position. When he is just angry and venting frustration, the other staff often ignore him saying that 'that is just W2 being W2' – dismissing W2's claims as if they have no substance. This shows that W2's power is totally dependent on relationships, and that these relationships are dependent on W2's demeanour. W2's power fluctuates according to how he acts and how this consequently affects relationships around him, highlighting how power is 'web like' in that it circulates around W2, flowing and ebbing.

However, despite fluctuations in W2's power, it is generally the strongest of all the workers and as a result almost everyone, including managers, will listen to his opinions. Interestingly, his job description would rank him as one of the lower workers.

5.2.2 WORKER THREE (W3)

"The Strong Canadian"

W3 works within the Finance Department as an Analyst and has been with the Company for almost a year. He is Canadian and probably the most senior worker within the Department in terms of his job description. One of W3's key responsibilities is to manage the 20F, a very complicated and time consuming form that needs to be completed on an annual basis in conjunction with the Annual Report. This is required to be in compliance with United States regulations that apply when a company is listed on the United States Stock Exchange. Some of his other responsibilities include the writing and implementation of Company accounting policies and procedures in accordance with the applicable Generally Accepted Accounting Policies and International Accounting Standards, as explained under section 5.2.1 of this thesis. W3 works closely with W2 on the accounting policies and does not always appear to enjoy this part of his job. He occasionally complains that this type of work is quite boring and it is easy for one to get the feeling that W3 believes that this type of work is 'below' him.

Another part of W3's role is to perform Capital Expenditure analysis on projects from all over the world. This means that he gets to work quite closely with the Divisional representatives who put the 'cases' together for evaluation by him. W1 and W4 are the two Divisional representatives whom submit the Capital Expenditure cases to W3. If W3 thinks that a case needs more work performed on it before it can be approved, he will return the cases to either W1 or W4 and this will increase their workload. W3 gains power by not only having the ultimate 'say' in terms of whether a project goes ahead or not, but also being able to exert influence over the workload of W1 and W4. He increases their workload frequently, as he frequently gets them to resubmit cases.

The ramifications of W3 getting W1 and W4 to resubmit their cases are that W3 impacts upon the workload of W7 indirectly. When the workloads of W1 and W4

increase, two things happen. W4 is slower to submit information to W7 for consolidation, and W1 is slower to review information from W6 which is to be submitted to W7 post his review. The end result is that W7's workload is then affected by the late submissions from W6 and W4. However, as discussed in section 5.2.4, although W7's workload increases, she simply allows her workload to backlog, which can impact upon M6 and M5, although ultimately she gives their requests priority and therefore their workloads are largely unaffected by her.

Although W3 reports solely to M6 he occasionally gets asked to do things by M8 or M2. Probably due to the relatively highly specialised nature of his work, he does not delegate, with the exception of the accounting policy work he does with W2. W3 will work long hours to get his work done on time and never appears to accumulate a backlog.

As a very intelligent person, W3 makes some very good suggestions as to how to improve the efficiency of the Finance Department. He is also quite strong willed and is able to stand up for himself, if he believes that other people are trying to push him around. For example as W3 performs the Company's capital expenditure analysis he has to occasionally reject proposals for expenditure that he does not think make economic sense. This can really irritate the individual who submitted the proposal, either W1 or W4, and at times they can get very angry at him for rejecting their proposal as it increases their workload. W3 is very good at standing his ground though, and does not let an angry, vocal person influence him. The only exception is unless what they say makes good economic sense in which case he will tell them to re-submit the proposal stating more clearly the reasons for the capital expenditure and the benefits that would arise from it. Hence W3 is able to cope with dominant people such as W1, as well as submissive individuals, by exerting his knowledge power around the former and by sharing his knowledge power with the latter to improve their understanding. In such situations he appears to undertake a teaching role. W3 comes across as very calm and collected on most occasions and this enables him to exert his knowledge power in a very effective way.

Used to working independently, W3 finds it frustrating if there are too many constraints placed on him by an increase in structure or reporting lines. He likes a clear reporting structure where he has one boss to which he has to answer. Currently, W3 is very unhappy with the existing structure where at times he is accountable to three different bosses, M6 formally and M8 and M2 informally.

W3 does not cope with having to be the submissive party in a hierarchy where he believes that the person above him is not qualified for the job or has less knowledge than W3. His relationship with M8 is a good illustration of this situation. W3 informally reports to M8 occasionally but has very little respect for him and therefore can barely contain his contempt when M8 gives him instructions. This is not to say that W3 cannot cope with dominant people. It just means that they must have earned his respect before he allows them to be the dominant party in their relationship.

> *"M8 is not listening to what I want to do (wants to drop International Accounting Standards implementation in my lap, whereas I am not interested in doing that) and I am already working ridiculous hours anyway. To take on that additional role would be at the sacrifice of something else and I don't want to sacrifice anything else". (W3, interview quote, 2003)*

In terms of impacting upon the workload of his managers, W3 does not disrupt the workflow of M6 at all, as he would work day and night to ensure he did what M6 needed from him. However, with M8, it is a different story. As W3 does not respect M8, W3 will place any of M8's requests to the bottom of his pile. The way in which M8 is overly loud and dramatic, often without cause, irritates W3 enormously and causes the lack of respect. Similarly to W7, W3 then applies his self-imposed ranking system for the priority of his work in a subtle exercise of his power. Although this may appear to have a huge impact on M8, as he is so vocal about work not being done for him immediately, the reality is that he relies on W3 for very little work and the workflow disruption is minimal.

As W3 is very career orientated, he dresses very smartly, puts in very long hours at work and tries his utmost to do the best possible job. In an endeavour to get noticed and promoted, it is very important to W3 that he meets the right people and is given credit for his work demonstrating his desire for power.

W3 is very attractive and combined with his dress sense and self-confidence he derives a fair amount of power from being his interpersonal skills. He is not flirtatious at all, as he places such a high value on being professional. However both men and women alike find that W3 is quite magnetic and as a result will endeavour to please him, which generates power.

W3 is very aware that power is totally dependent on relationships. The way he dresses and conducts himself is a clear signal that he wishes to gain power by conforming and he does gain respect from his knowledge, demeanour and appearance. This is also illustrative of the fact that power is intentional as W3 conforms in order to generate power. Consequently, power is very important to him and he exercises it very consciously.

5.2.3 WORKER FIVE (W5)

"The Gruff Dutchman"

W5 started at the company 8 years ago as a postman, and gradually worked his way up to becoming an Accountant within the Finance Department. W5 does mostly management accounting and his main role is to collate information from the Mail Division. He is given this information from W13, which he then consolidates and analyses. W5 produces weekly and monthly reports on the Mail Division's performance and reports these directly to M8. He also prepares financial information for the Mail Division's tables within the quarterly Supervisory Board Report as well as the Annual Report. This information is given to W2. W5 is not overly concerned with producing a high standard of work for W2 and does not perform any kind of 'double check' on the quality of his outputs. This could be a way of W5 rejecting W2's power, by showing that he does not care enough about what W2 thinks to bother putting in the effort to ensure it is correct.

W5 is not prepared to work long hours and he is more than happy to allow a backlog of work to form. Often the work will be time critical, but he nonchalantly keeps others waiting until he completes it the following day. Whilst many others work late into the evening in their own time to complete their tasks, W5 is not prepared to do so. This is definitely a way in which he exercises his power by showing others that he does not care enough about his relationship with them to inconvenience himself. This can disrupt the workflow of W2 and W7 who are often the ones waiting for the information from W5. W5 does not seem to care that his backlog of work impacts not only both of these individuals, but consequently M5, M6 and M8. M5 and M6 absorb the impact of this disruption and backlog, and it is these two individuals who have to work harder and longer hours to still meet their deadlines despite the delays.

M5 is quick to point out to W5 that his backlog of work is impacting himself and others, although W5 is always quick to defensively blame W13 and others below him for the disruptions. M6 will ask W5 nicely to perform certain tasks, although never in a confrontational way. Occasionally M6 will prefer to absorb the work himself rather than delegate or ask W5. As M8 is quick to angrily accuse W5 of holding everyone up, W5 has little respect for M8 and he argues back and then just ignores him. This is a way that W5 blatantly exercises his power over M8, and this probably feeds his confidence as M8 is one of his managers.

Probably due to the fact that he has no-one below him, W5 does not delegate out his work to his peers. He is a brusque individual who is very good friends with W7 and does not socialise much with the rest of the Department. W5's lack of interest in relationships impairs his power. He keeps to himself to a large degree and just gets on with his work. If he is challenged about something, he is quite capable of standing up for himself and saying what he thinks. If he gets pushed too far, he is prone to snapping and being quite aggressive. W5 also likes to be kept informed, as this increases his knowledge power, as the following quote illustrates.

> *"I don't care whether I am informed informally or formally just so long as I know what is going to happen". (W5, interview quote, 2003)*

W5's power is almost entirely sourced from knowledge power, in that he has been in the Company for a very long time and it is the only Company for which he has worked. This gives him a feeling of superiority over those who have only just started in the Company and W5 loves to ridicule newcomers who ask questions which he would consider 'basic', about the running of the Company. Despite being dominant in the relationships that he does have, his power is quite limited due to the small number of individuals with whom he interacts.

Casual dress rather than a suit is the norm for W5 who seems totally unaware of what he wears. He is an extremely unattractive individual, being stocky, bald and missing several teeth. Due to his lack of attractiveness, W5 definitely does not have any interpersonal power. As W7 says, 'W5 is ugly'.

A lack of dress sense could be a self-defence mechanism by W5 who may be subconsciously denouncing power as he does not think he is worthy of it. His feelings of lack of worth could be derived from the fact that he did not have any higher tertiary education before he joined the Company and had to study part-time to gain a degree whilst he worked. W5 always seemed quite resentful of

others who have more education that him. He often ridicules others in an attempt to make himself feel more powerful and less threatened. This ridiculing of others combined with the mocking of those without as much knowledge of the Company as W5 has, results in the construction of barriers within relationships.

W5, despite being dominant in many of his relationships, is the submissive party in his relationship with his boss (M6). This suits him as it provides him with material to complain about with W7 and someone else to blame if anything does not go according to plan. Deliberately removing the opportunity to be blamed for mistakes or errors provides protection of W5's all important knowledge power. What is interesting about the fact that W5 is submissive to M6 is that M6 is very non-confrontational with W5 and occasionally absorbs some of the stress caused by W5's lack of timeliness with submission of work. It appears that the knowledge power M6 has, translates into earned respect from W5, and vice versa. This kind of relationship could also be because they are long-standing employees of the Company, like W13, and therefore they all seem to have an inbuilt protective mechanism where they 'look after each other'. This is illustrated very clearly with the relationship between W13 and W5, described in section 5.3.1.1.

5.2.4 WORKER SEVEN (W7)

"The Submissive Knowledgeable Dutchwoman"

W7 is a Dutchwoman who is an Accountant within the Corporate Finance Department. She is really considered a pillarstone of the Finance Department as she has worked within the company for around 13 years and would have the most Company specific knowledge of the workers, equal with W2. W7 is quite senior in her role and probably the next most senior person in the Department behind W3 in terms of hierarchy.

As the head consolidation accountant for the Department, W7 ensures that all information in the form of templates from the Divisions is in on time and fully complete. She then gets all Corporate Head Office information from the various departments and makes the necessary adjustments from there. W7 is responsible for the Group Profit and Loss, Balance Sheet and Cash Flow Statements at the end of every month.

The templates from the Divisions are critical to W7's job of collating information, although she had little to do with the development of them. W7 was asked if she wanted to get involved in the development by M6, but she declined. However she agreed to look over them post development to ensure that they captured all of the required information. This was W7's way of avoiding rejection as if she did not develop the templates herself, then she could not be held responsible for any possible omissions or errors. The other advantage of W7 only reviewing the templates is that she then gets to exercise knowledge power by saying where she thinks they are lacking or could be improved.

W7 reports to both M6 and M8 formally. She is not accountable to anyone else and M2 does not approach her directly for information requests as she is female (as discussed in more detail in section 5.6.1). Despite being able to delegate work to either W5 or W9, W7 does not elect to do so. This is probably due to her submissive nature and the fact that she would think that if she had been allocated the work, she was expected to do it herself. This could also be a way of W7 retaining her knowledge power.

Regardless of the backlog of work she may have, W7 starts at 8.30am on the dot and leaves at 5pm every day. Additional work requiring completion remains on her desk until the following day when she will methodically work through her pile of tasks according to her own priority ranking. Requests from those who are more senior or who are 'louder' or more demanding are given higher priority. In this way, people exercise their power over W7. There is, however, a slight element of earned respect that gets factored into the ranking system by W7. For example, if M6 makes an information request, W7 is likely to put that at the top of the pile. W7 really respects M6 and believes he holds a lot of knowledge power which is something that impresses her. However, if M8 makes a request, W7 is more likely to put this to the bottom of the pile despite the fact that M8 is often very loud and dramatic in his demands. W7 would not rank his request highly as she does not respect M8 very much due to his lack of power knowledge and the fact that he is panic-stricken a lot of the time, making it difficult for her to judge which tasks require real urgency. This self-imposed ranking system for the priority of her work is a way that W7 subtly exercises her power. It is also very similar to the way in which W3 exercises his power around M8.

As her work is quite cyclical due to the reporting deadlines, W7 can deal with the 'overflow' of her work during the not-so-busy periods allowing her to commence

the next reporting cycle with a clean slate. W7 restricts her workflow by being selective of whose work she takes on and when she completes it. In this way, W7 exercises power over individuals who request information from her, such as M6 and M8, and hence reduces her workload and consequently increases the workload of others. If she processed all their requests right away and spent many hours doing overtime to achieve this, the number of requests that she would receive would increase. The way she handles them now means that they really evaluate in their own minds what they ask her to do prior to actually requesting it. If they suspect that she will not be able to process their requests within the required timeframe, they delegate the work to someone else, usually W2, to ensure that it gets completed. In this indirect way, W7 can heavily impact upon W2's workload, depending on how much M6 and M8 delegate.

W7 is not interested in becoming the next Finance Director. She has no career ambitions and is completely happy just doing her job and nothing more. As she has no interest in doing overtime or extra courses to expand her knowledge, she denounces a desire for power. W7 does not want to be involved with the politics associated with upper management, although over the last thirteen years she has built up a very strong network of influential supporters who know her and respect her work within the Company. This in itself gives her power. People come to her for advice within the scope of her role. W7 is the most senior Accountant within the Finance Department and has the most accounting related knowledge out of anyone in the Finance Department.

Not one to initiate conversations around the coffee machine about the internal dealings of the Finance Department, W7 will nonetheless partake if the conversation is started by someone else. She will say what she thinks, although it is often very tempered compared to her other Dutch colleagues. She seems to prefer listening to comments made by others more than voicing her own opinion. W7 is a 'thinker' and likes to mull over other people's opinions, compare them to her own and consider whether she should revise her opinion before voicing it. When she does voice her opinions, they seem very tempered and considered, as illustrated in the following quote.

> *"The changes do not always happen smoothly, for example how the management accounting people left. We were never told we don't need them anymore, they just left at a certain moment, we had the idea that they were going to leave, but nothing was ever said. It was really funny. It was the same when the business control people disappeared and the work came to us. We did discuss in the past that some things would be better*

> *done by people closer to us, or we could integrate this or that, but it never was that there was a new plan. Changes just happened – there is no communication, no plan and no 'this is how it is going to be…' or even 'this is how it is…'". (W7, interview quote, 2003)*

W7 is happiest having a clear structure within which she can do her job and when she is being told what to do, highlighting her truly submissive nature. She prefers to know who her manager is and what they need from her, but beyond that she likes being left to 'get on with it' and do her job. She likes to know exactly what is expected of her and is totally happy if this does not change month to month which shows the extent to her adversity to risk. This consequently limits her power as there is an element of risk taking in gaining power. W7 has a lot of knowledge power gained from her work ability, but only gains small amounts of power from relationships as she is generally the submissive party and she does not exercise what power she has.

W7's meekness expresses her desire to conform and fit in. The last thing W7 wants is to be criticised or hurt hence she does not take risks as she does not want to suffer the hurt of rejection. Due to being so happy being the submissive party, it is important to W7 that her manager is dominant. Without this, W7 would view this as a lack of structure and she would be unhappy in her work. This is a good example of how being a submissive party is not necessarily a bad thing.

W7 lacks dress sense, often wearing jeans teamed with an ill-matched suit jacket. She is quite old-fashioned in what she wears and does not seem to bother styling her hair or wearing any make-up, which again reflects her desire to not stand out in the crowd. W7 has little interpersonal power as she does not make any effort to make herself attractive and has little awareness of herself as a woman.

Although power is knowledge, or rather knowledge can give rise to power, W7 is the classic example of someone who is happy being the submissive party in a relationship. She would rather someone else make the hard decisions and she just followed orders. This type of relationship can result in others having to do more battling and W7 could be considered to be abdicating her professional responsibilities.

In an environment where there are too many passive people who are like W7 in terms of her submissive stance, the team would be in danger of becoming dysfunctional. This danger would arise due to the fact that submissive people do

not tend to push for improvements or progress, something that a dominant person is more likely to do. With dominant people pushing for improvements or progress, the Company would find it difficult to progress forward and adapt to a changing business environment.

5.2.5 WORKER EIGHT (W8)

"The Elegant Educated English Lady"

W8 is a well-groomed, attractive lady from England who joined the Corporate Finance Department less than a year ago as the Personal Assistant to the two Finance Directors, M6 and M8. The nature of W8's role is to assist M6 and M8 in anything that they need for their work, including picking up their dry-cleaning, booking travel, formatting their presentations and typing meeting notes. Her job is extremely varied although the hours are usually very standard and it is very rare for her to have to do overtime.

Although W8 works mainly for M6 and M8, she will occasionally get asked to assist other members of the Department such as M2 if required. As there is no-one below her and she is unable to delegate any of her work, anything she is unable to complete does not get done. In this sense, W8 does have power in impacting the workflow around M6 and M8 and effectively all the people underneath them as she is selective in accepting work and thus controls her workload to a manageable level. W8's workflow is therefore largely unaffected by others, due to her competence and selectiveness. This means that the changing workflows driven by power struggles within the Finance Department have less impact on her than others, as illustrated in the following quote.

> *"For me the only change has been the temporary appointment of M2, who is temporary so no impact. The driver of this change was to take pressure off M6 with the annual report". (W8, interview quote, 2003)*

She has worked within the company for many years in a different country prior to joining the Corporate Finance Department so she is no stranger to the Company. W8 is highly competent, efficient and very capable within her role. She is not caught up in the 'politics' of the Department, due to the short time period that she has been working within the Department and the nature of her work being quite isolated from the rest of the workers within the Finance Department.

W8 is a thin good-looking blonde who dresses extremely smartly in ‘power suits’. She often wears quite short skirts and has a very attractive figure, which makes men often stop and stare at her. W8 pays a lot of attention to her appearance and is always immaculately made-up. She has a naturally bubbly personality which also makes her very attractive to men and women alike. As a consequence she generates relationship power from her interpersonal power.

W8 does not throw her weight around at all, and from a hierarchical point of view would be ranked as the lowest worker in terms of her seniority. She relates well with M6 and not that well with M8, whom she finds difficult and aloof. M6 often looks to W8 for advice or confirmation regarding different decisions he has to make at different times. This is from where she gets her power. W8 is the voice of reason to which M6 listens. W8 does not appear to misuse this power and does not seem to have ulterior motives at all. Although other workers sometimes try to get her ‘on side’ with their ideas in the hope that she will pass this on to M6 or M8, she does not tend to get involved, rather advising workers to approach M6 or M8 themselves. This is an example of how the web of power might exist which it does around W8, but without actions leading to the exertion of power, the power is not exerted or shared by W8.

Although W8 has little hierarchical power, her relationship power often allows her to get what she wants and places her at a higher power ranking than some of the other workers. The relationship power that W8 has seems to be totally independent of whether individuals around her are dominant or submissive, making her able to relate to both types of individuals despite frequently appearing to being the submissive one. W8 is a good illustration of how women can generate the appearance of being submissive typically due to their inability to be physically intimidating but underneath the surface they may be using other techniques to exert their power. A further example is how a woman could appear to be just listening to a man when he is talking, but potentially she is drawing judgements or making conclusions in her own head without voicing them. Women do tend to be less overt with their power but this does not mean that it is less successful in attaining the desired outcome. W8 definitely appears to be submissive and lacking in power where in reality her relationship power, although subtle, is quite strong.

5.2.6 WORKER NINE (W9)

"The Loud Short Dutchman"

W9 is a short, middle-aged, loud Dutchman who recently joined the Finance Department as an Accountant. His role involves mainly management accounting and collation of information from the Express Division, given to him from W4. He also consolidates and analyses the information. W9 produces weekly and monthly reports on the Express Division's performance and delivers these directly to M8. Included also in his responsibilities is the preparation of financial information for the Express Division's tables within both the quarterly Supervisory Board Report and the Annual Report, which are then given to W2.

W9 does seem concerned about producing a high standard of work as he frequently seems panicked about what he is being asked to produce. This seems to arise from a combination of him feeling out of his depth with regards to what he is being asked to do, and also because he genuinely cares about what he produces and wants to get it right. If he ever finds a discrepancy between what he calculates and what W4 has calculated, he will get very overexcited and complain in a big loud voice from his desk so that everyone in the Finance Department can hear him and knows about the problem. He will then call W4 to voice his concerns, which are normally explained away by W4 within minutes. This pattern repeats itself frequently on a weekly basis and highlights W9's lack of power knowledge, reducing any respect his fellow Finance Department colleagues had for him.

> *"At the beginning I was not sure of my responsibilities or tasks. I felt totally confused about changes and sorry for the people who were leaving. Because people were leaving, there was a lack of focus on the work itself". (W9, interview quote, 2003)*

W4 gets quite angry with W9's constant, and sometimes irrelevant, questions. W4 will express his irritation by exerting his power over W9 by not submitting information on time which impacts upon W9's workload. This disrupts not only W9, but also W2 as he is dependent on W9 submitting information to him on time so that consequently he can meet his own deadlines. This way, although W4 is almost deliberately trying to punish W9 for being annoying, the effect is that he ends up punishing W2 indirectly, whom he actually quite likes.

Within a very short space of time, W9 made a reputation as someone who over-reacts a lot and insists on making himself heard. He is not overly aggressive, but more defensive. He is loudly vocal about his point of view, whatever that may be, as it does tend to vary depending on who has managed to sway his opinion most recently. This makes him appear fickle and reduces his power relationships. W9's power is also reduced as people do not tend to listen to him because he frequently panics. He is the epitome of the 'boy who cried wolf' and even when he does have a valid point, it is unlikely that people will listen to him.

W9 does not work beyond standard hours unless he has urgent work that requires him to do so, in which case he would stay behind but grumble loudly. If he did not do the work himself, then it would not get done so W9 feels like he is obligated to complete the work. As there is no-one to whom he could delegate work, this is not an option. W9 is aware he is considerably lacking power knowledge compared to other members of the Finance Department. By grumbling loudly he probably feels he gains a certain amount of power knowledge as invariably W2 comes over and shows him either where he has gone wrong or how he could improve. The loud complaining attracts attention from other staff members and is really W9's way of demanding help without being submissive. In this situation, there is a positive power flow in both directions due to their symbiotic relationship. W2 gains power from sharing his knowledge and demonstrating how strong his company specific knowledge is, whilst W9 gains information power. Also, as W9 can impact upon the workflow of W2 if he does not complete his work on time, W2 gains an advantage by helping W9 as he prevents his workflow from being disrupted by ensuring that the work gets completed.

There are insufficient relationships around W9 to enable him to attain the power he desires. In addition to this, he does not have many opportunities to exercise power as no one tends to listen to him, again illustrating how vital relationships are to power. As a result, W9 may think that he would like to be surrounded by submissive people who allow him to have power over them. However in reality, he gets a sense of importance by being asked or told by more dominant and senior people what to do and it also gives him the opportunity to moan about this to other workers. This panders to what appears to be his over-inflated ego, but in reality is possibly a form of resistance as the result of low self-confidence and a desire to feel needed and wanted.

W9 is very overweight and can exercise very little interpersonal power, with his appearance making it more difficult for power to flow to him. Despite often wearing suits, his physical build provides a tangible barrier to the flow of power to him. His lack of physical attractiveness and skittish personality diminish any kind of power he would derive from the suits, showing that the suits in themselves are not enough to make someone appear powerful. As discussed in the beginning of this section in 5.1, power is linked to people's demeanour, physical appearance and other attributes which all contribute to interpersonal power.

5.3 WORKERS – OUTSIDE THE FINANCE DEPARTMENT: DIVISIONS

The following diagram illustrates all of the workers interviewed for this case study within the Divisions shows their placement according to job description, as well as showing their power rating at the time of interviews. These individuals are then discussed in the order of their power rating within each Division.

Figure 4: Workers outside the Finance Department: Divisions, as at 28 March 2003

Source: created from interview and observation notes taken by the researcher during the course of the case study

5.3.1 MAIL

5.3.1.1 WORKER THIRTEEN (W13)

"The Silent Dutchman"

W13 is a very quiet and unassuming individual who has worked within the Mail Division of the Company for the past year as a management accountant. The Mail Division is geographically isolated by being located in a different city from the rest of the Company who all reside within the Corporate Head Office. The Mail Division

also considers itself as almost a stand-alone company, rather than one of the three Divisions that make up the whole company.

This isolation, could be part of the reason why W13 has very little to do with the Finance Department. He rarely visits in person, with the majority of his contact with the Finance Department being only with W5 and almost always made over the telephone. The attitude that the Mail Division employees have of being quite separate from the rest of the Company also could contribute to the fact that W13 seems to have little to do with the Finance Department.

W13 does very little analysis on the Divisions numbers and his main role is to ensure that all the Mail business units submit their information so he can collate it and pass it on to W5 at the Corporate Head Office for consolidation and analysis at a higher level. W13 reports directly to M12 and has no interaction with any of the other managers, although he indirectly impacts upon others workloads with his propensity to being late in submitting work.

It is not in W13's nature to talk to the Finance Department workers about either his Division or the Finance Department itself. He is not close to management outside of his Division and his power ranking is very low as he does not seem to have any relationships which could result in power. W13 does not take risks, which would require the exercise of power. This could be a result of a fear of rejection, which often comes with taking risks. His lack of desire for relationship power is illustrated in the following quote. Other workers would have been upset about being told about a new manager's appointment via an email, and not in person, but this does not seem to bother W13 at all.

> *"I have felt informed but excluded with regards to the changes, however not worried about being excluded. We received an email about M2's new role in supporting the new CFO in the annual report process". (W13, interview quote, 2003)*

Although he is well aware of the reporting deadlines, W13 is frequently late in submitting information to the Finance Department. This is because he is not able to exert power or influence over people who work below him. It seems that if they say that the deadlines are too tight, he is unable to convey to them that the deadline is unable to be changed and beyond his control. W13's failure to meet the deadlines creates a tree of tension from the subordinates below W13, to W13, to W5, to M5, to M8, to M6, to M2, and finally to M1. This tree of tension exists

due to the importance of getting the information from W13 to enable the reports to be completed on time to go through the various levels of review and analysis for final review by M1.

Some of the pressure that arises as a result of W13's power failure is absorbed by W5, who although gets lots of pressure from both M6 and M8 to get the information from W13, seems to feel sorry for him and make excuses on his behalf. Often W5 will not tell W13 quite how he has infuriated everybody by being late with his submissions, and therefore it is possible that W13 thinks he gets away with more than he realistically does. This shows a further breakdown in the chain of communication which generates further tension. W5 may be protecting W13 as he is aware of how little power and confidence W13 has, and realises how much this could be potentially eroded if W13 was made aware of the frustrations he creates for the managers above him. The potential outcome of such erosion could be that W5 would experience an increase in the difficulty of collecting information from W13 as he could become too disheartened and demotivated to try at all.

Due to W13's quietness and extremely submissive manner, it appears that he would be slightly lost without a more dominant person providing him with direction. However, it is also easy to imagine that he would not cope with an extremely dominant personality as his already fragile confidence could be totally destroyed by this. Like W12, the fact that W13 is always submissive may not in itself be a totally negative thing for him.

W13 is not unattractive, being a well-built young Dutchman. He could easily gain power from his attractiveness but he seems very unaware of himself. His lack of confidence and extremely quiet demeanour reduces this attractiveness and consequently any interpersonal power that may be derived from it. The fact that W13 does not exercise any power illustrates his crippling lack of self-confidence giving him low self esteem which leads to him not wanting to take risks due to his fear of rejection.

5.3.2 EXPRESS

5.3.2.1 WORKER FOUR (W4)

"The Difficult Dutchman"

W4 is a Dutchman who works as an Accountant for the Express Division. He has been within the Company for about 6 years. His main role is to ensure that all the Express business units submit their information so he can collate it and pass it on to W7 at the Corporate Head Office for consolidation, then to W9 for analysis at a higher level. W4 reports directly to M4 and has no interaction with any of the other managers.

Although he has the appearance of being very easy going and adaptable, W4 can also be fiercely defensive of his point of view when necessary. It is not uncommon for him to make others well aware of his thoughts on certain matters, and he does not hold back in attacking their opinions if he does not agree with them, as illustrated in the following quote. This is a clear display of him asserting his power to resist their power.

> *"No-one understands the structure or how it is currently working. We need one clear responsible person within the Finance Department to speak too, as not we are unsure of whom we should speak too. There is also no overview of the total process". (W4, interview quote, 2003)*

W4 and W9 are very dependent on each other as W9, by the nature of his job description, performs analysis on the information he collects from W4 and then passes this analysis on to W2. W4 and W9 both make life very difficult for each other. W9 constantly pesters W4 with ill-thought out questions, which irritates W4 no end. In retaliation, W4 makes life particularly difficult for W9 by not meeting deadlines and being bad-tempered and disparaging when providing answers to W9's questions. W4 is definitely more domineering and exerts more power than W9. This makes W9 almost always back down and concede to the demands due to his lack of power knowledge compared to W4. It also probably reduces W9's confidence and self-esteem although he does his best to cover this up by loudly grumbling about W4's attitude. The nature of this relationship not only impacts heavily on W9's workflow, but also indirectly impacts W2's workflow, who is constantly stepping in to help out W9. As discussed in section 5.2.6, this would not be the intention of W4 as he has quite a bit of respect for W2.

As a very tall individual, W4 presents a physically intimidating appearance particularly when he is angry. He gains power through his demeanour being very forthright and quite aggressive when he wants to get others to agree with his opinion. W4 gets a lot of this power by being dominant and his relatively abrasive manner enables him to get others to concede to his opinions. He does not have as much power as W1, W2 and W3 as he does not have as many relationships as they do. Therefore he does not exert his power or look to extend his influence beyond the very few that have to deal with him, making his web of power is smaller. W4 also does not have interpersonal power, as he does not power dress or seem very attractive to women. His source of power is generated by his aggressiveness and physically intimidating appearance and manner.

5.3.3 LOGISTICS

5.3.3.1 WORKER ONE (W1)

"The Sarcastic Cockney"

As a Business and Financial Controller for the Logistics Division, W1 is from the east end of London and is someone who is not afraid to let his voice be heard. His main role is to report on trends and analysis from all the Logistics business units financial information which he receives from W6. W1 reports directly to M3 and it is his role to ensure that M3 understands exactly what is going on in the Division, what trends are emerging and how they should adapt their strategy as they go forward. As he has frequent interaction with M5, M6, M8 and W3 within the Finance Department, W1 wields a lot of influence over these individuals.

W1 is one of the most senior of the workers within the Logistics Division and has worked within the Company for three and a half years. He holds a position with a lot of responsibility within his department and is accountable for ensuring the Logistics Division is running efficiently and providing the right financial information in a timely manner.

It is not uncommon to hear W1 yelling at the Corporate Finance management when he gets frustrated. He is not always angry and has quite a charming and friendly personality when things are going his way, alternately using anger and

charm as power strategies. He frequently has a twinkle in his eye and likes to make gentle fun of people with his dry humour sometimes laced with sarcasm. W1 can have a reasonable discussion and make plausible arguments as he goes along. W1's forthright manner is illustrated in the following quote.

> *"The split between internal reporting and external reporting is confusing. Do you need both? It is all inter-linked anyway. I think the role was just made because M8 was made Director, which was not the right way of doing it. I believe M6 does merit the role of Director of Finance but M8 does not. The Finance Department was improving (2001) when there was not too many 'chiefs', but now it is going downhill again". (W1, interview quote, 2003)*

W1's demeanour and sense of humour give him interpersonal power. He uses this to get his way with women frequently by using flattery and compliments. Despite the lack of subtleness, women do laughingly go along with him because he manages to carry it off in a very humorous way.

The main goal of W1 is to make his life and that of his colleagues' within the Logistics Division as easy as possible. He is entirely self-serving. His view is that the Finance Department does not work as hard as the Divisions' staff and he makes this view widely known. He is someone who expects the best in terms of service and delivery and also in terms of knowledge. He gets frustrated by a lack in any of these three things in other people. Extra information demands that may be placed on him and his Division by the Corporate Finance Department cause him considerable frustration. As a diligent person who will ensure that the extra work gets done, W1 gets frustrated by the anticipated backlog that will be created by such demands. W1 is good at delegating work, which he does frequently with W6 among others, but is considerate of the workload of the people within his department. Hence at times he takes on the extra work himself even if it means taking on more responsibility to ensure that the work gets completed. The impact of W1's power and ability to delegate work and manage his own workload means that more work flows to him and the people over whom he exercises power.

In an ideal world, W1 would prefer to have less structure so that he could control the kind and quantity of information his Division has to provide. W1 wields lots of power in that many of the workers and managers listen to what he says, and he is skilled at making himself heard. He also has knowledge power as he has been within the Company for nearly ten years with a good understanding of processes and how things are done. His directness and forthrightness are power strategies along with his knowledge power.

W1 derives a lot of his power from his relationships and tends usually to be the dominant party, even in his relationships with managers. He is never dominated by any of the other workers and is quite comfortable in standing up to management, which generates a lot of power for him.

5.3.3.2 WORKER SIX (W6)

"The Disgruntled Ex-Finance Employee"

W6 started out within the Company around two years ago and recently left his position within the Finance Department where he was well liked, to join the Logistics Division, because he did not get on with M8 who was his most recent manager.

W6's main role is to ensure that all the Logistics business units submit their information so he can collate it, do analysis on the numbers and pass this analysis onto W1 for evaluation. He also hands over the business unit figures to W7 in Finance Department for consolidation and to another worker in the Finance Department for more analysis at a higher level. Reporting directly to W1, W6 does not have a lot of interaction at a formal level with others outside of his own Divisional department, apart from W7.

As the Divisional financial controllers in the field provide W6 with the information that he needs to analyse for W1, he delegates work to them. He is quite comfortable in requesting information from the financial controllers and is good at chasing them up to ensure that they meet their deadlines, in turn allowing W1 to meet his respective deadlines. The power he exercises in terms of ensuring they provide him with what he needs on time, means that W6 accumulates very little backlog. However, as the people that W6 exercises power over are quite low in the hierarchy, he does not gain as much power from these relationships as he would from being able to exercise power over more senior people.

W6's workload is heavily impacted by W1, as his immediate manager. When W1 experiences a surge in workflow, he will delegate work down to W6 if he thinks it is appropriate, although as discussed previously, is quite fair about it. W6 will

tend to work very hard to complete the tasks W1 sets him, by either delegating or doing the work himself.

Since leaving the Finance Department, W6 has become a lot more outspoken about it, and being well liked and generally perceived as being quite sensible, he is listened to by quite a few people, including Finance Department workers and workers outside the Department alike. The change in him from being quite reserved while within the Department to becoming a lot more confident and opinionated now he is out of the Department is interesting. It could be to do with the fact that a large number of the people within the Logistics Division that he works with now, are very outgoing, outspoken and sometimes aggressive people. In comparison, the Finance Department people are generally much more passive. The change within W6 could also arise from the fact that while he worked within the Finance Department he felt his manager, M8, was very prescriptive and dictatorial, making W6 feel too uncomfortable to speak his mind, in fear that it might get back to M8.

> *"I had to be flexible – I had about six different bosses in three years and the organisational structure changed four times. Even in the short time I have been in Logistics, my bosses have changed three times. An unstable environment is normal for the Company but it is not always healthy". (W6, interview quote, 2003)*

W6 does not hold a lot of power over the managers. He is quite friendly with M6, but other than that, he has little to do with the other managers. As a reasonably easy-going, positive person, W6 is outspoken only when something really upsets him. Otherwise, he tends not to get involved in the moaning or complaining about the Finance Department. As he is considerate and respectful regardless of their level, W6 deals well with submissive people. He is becoming more confident in dealing with dominant people and seems happy in taking directions and orders when he respects the manager or dominant person. He is quite like W3 in this respect. For example, W6 will quite happily take orders or advice from W2, despite W2 being less senior than him, as he feels that W2 has knowledge power.

Despite dressing neatly to fit with the corporate environment, W6 does not dress in power suits as such. He has such a happy demeanour that this further contributes to him being attractive. W6 does not appear particularly aware that he has interpersonal power and does not seem to exercise it, although he probably gets his own way as others find his subtle power appealing and difficult to ignore. He is definitely not the type to strut about the office, preening or being

loud so his more demure demeanour is as refreshing as it is subtle and appealing. W6 is well respected throughout the Company as he has worked both within the Finance Department and in a Division. His relationships are relatively strong and this results in power as he gains knowledge through these.

5.4 WORKERS – OUTSIDE THE FINANCE DEPARTMENT: CORPORATE DEPARTMENTS

The following diagram illustrates all of the workers interviewed for this case study within the corporate departments but outside of Finance, shows their placement according to job description, as well as showing their power rating at the time of interviews. These individuals are then discussed in the order of their departments.

Figure 5: Workers outside the Finance Department: Corporate, as at 28 March 2003

Source: created from interview and observation notes taken by the researcher during the course of the case study

5.4.1 TREASURY

5.4.1.1 WORKER ELEVEN (W11)

"The Happy-Go-Lucky American"

W11 works within the Treasury department and started his job about nine months ago. He is new to the Company and is really friendly and easy going. His main role is to provide analysis of the financial products that the Company uses to support their operations. W11 reports directly to M10 and advises him on how to preserve existing cash funds and financial assets by ensuring the Company has enough liquidity to meet all current and future liabilities. He also advises on the most appropriate and cost effective way in which business activities can be funded. W11 also gets very involved in making hedging and foreign exchange

decisions on a global basis and reports on all aspects of his job for the annual report. When providing this information, W11 has a lot of contact with M5. This is one of the only times he has to interact with someone other than M10. Despite having quite a lot of knowledge power due to the very specialist nature of his role, he does not exert this power when dealing with M5 or M10, who both tend to dominate and steer conversations when communicating with W11. He is capable of stating his opinion but is easily swayed, perhaps due to a lack of confidence in his power knowledge.

As there is an analyst who works underneath him, W11 has some ability to delegate. However, it seems that he prefers to do the work himself. This could be because he is not confident enough in his own ability to explain well enough for the analyst to understand what she should do. W11 does not therefore affect the workflows of anyone as he does not exercise any power over people to do things for him. He does not seem to have a huge workload and simply does all of the work required of him, alone.

W11 does not hold a lot of power because he rarely mixes with other workers or managers, and does not make any comments about the politics or state of either his department or the Finance Department. This is a clear example of how power cannot exist without relationships.

His happy-go-lucky demeanour means that he fits in quite well with both dominant and submissive personalities, despite not mixing much with others. The fact that he is so easy going probably hinders his relationship and knowledge power as people can assume that he is too laid back to really be totally focused on his job. His positive demeanour is illustrated in the following quote.

> *"The Finance Department is more service orientated and an easy group to approach because of the personalities and the fact that we lean on each other so much. The addition of W3 is great, as he is quite specialised in reporting and Capital Expenditure. It used to be stuff that M5 or I would struggle with, but he actually has ownership of this stuff and it on top of it so that is great". (W11, interview quote, 2003)*

W11 is extremely short and his small stature is very noticeable amongst the typically tall Dutch. This could contribute to his lack of power, as he is not seen as physically intimidating and he is definitely not aggressive in his manner. Despite this, he is assuredly confident enough to approach people. W11 frequently makes sexually aggressive comments about women which shows he is willing to take

relationship risks. This heightens his power, although the lack of respect he gets for making the comments tends to counteract this to a degree. The aggressive comments could be a subconscious way of trying to compensate for any supposed diminished sexuality he feels due to his lack of height. His height would severely limit the number of women that would be prepared to date him, and this must affect his sexual confidence in some way. This is possibly why W11 does not mind being sexually aggressive and seems to be indiscriminate in his advances towards numerous women. This is where he appears to believe that if he makes advances to enough women, he stands a better chance of getting a positive reaction than if he only targeted women that he liked initially. As W11 takes this approach it seems he has an 'outer shell' which protects his ego and feelings as he may endure a lot of rejection before getting a positive response. This approach could a defence mechanism as well as a power strategy as he could get interpersonal power from a positive reaction.

5.4.2 INVESTOR RELATIONS

5.4.2.1 WORKER TEN (W10)

"The Muttering Dutchwoman"

W10 is a Dutchwoman who works within Investor Relations at the Company in a position she has held for approximately a year and a half. Investor Relations is the first point of contact in the Company for analysts, shareholders and potential investors. W10's role is to analyse share price movements, any public relations issues such as acquisitions or alliances formed and provide dialogue as to how these might impact upon the forecasts and budgets. She also communicates the quarterly and annual results to M9 so that he can present them to the market and field questions from the analysts.

As a result of her role, W10 needs to have a lot of interaction with both M5 and W2 so that she can understand what the figures are going to be like and they can advise her of trends and the reasons behind them. W10 has to wait on the Finance Department to complete their analysis before she can get the numbers, and then has to be kept informed by M5 if there are any subsequent changes that impact the numbers that she already has. This means that M5, and indirectly W2, really do control W10's workflow with their power knowledge as if they do not

provide her with adequate or in-depth explanations as to the trends in the numbers she has to try and find this out for herself. As W10 does not interact with anyone else outside of her department, this would be near to impossible as she would not know whom to ask, which reduces any relationship power she might have. M5 also has control over W10's workflow in that when he decides to give her the numbers directly impacts upon how much time she has to write the commentary for M9. This directly impacts upon the time pressure she experiences within her role leading to her having to put in greater or fewer hours. This creates stress for W10 and as a result she initially pesters M5 for information. However she tends to back off almost immediately as M5 is very quick to reject her demands and say that he will contact her when he is ready. M5 definitely exerts all the power in their relationship, as does W2.

Although a forthright person, W10 will take orders from her manager, M9, and execute them without question. She demonstrates resistance to being given orders from M9 by grumbling under her breath to anyone that will listen that this is not the way she would do it. However, it appears that W10 does not ever actually openly stand up to her manager and voice her opinions freely. As W10 is known for taking orders and not necessarily standing up for what she believes in, she has little power. If W10 was a male, she could be aptly described as a 'yes man'. The impact of her relationship with M9 is that she ends up with a huge amount of work to do, which she ends up doing all on her own, frequently in her own time. It turns into a vicious cycle. W10 does the long hours as she is afraid of not getting through the quantity of work required for M9. However in doing so, she cannot maintain the quality of the work as she gets tired which negatively affects her productivity and consequently the quality of her work slips, resulting in M9 being disappointed anyway. Her desire to please is illustrated in the following quote.

> *"What do others want, what will they use? This is important as if they do not read the information, then there is no point in us making it". (W10, interview quote, 2003)*

W10 does not have anyone to whom she can delegate work and therefore does all the work required on her own or, as mentioned above, with assistance from M5's explanations. She does not accumulate a backlog of work as her work is very deadline driven and she would be too afraid of M9 to not deliver on time. In reality, W10 does control M9's workload in that if she does not do her job, he would have nothing to say at the time of the press releases. W10 definitely gives

the impression of someone who is constantly scared about losing her job which is probably due to a strong awareness of how her work is extremely time and quality critical. M9 constantly tells her this as a way of exerting his power. She also may feel that she does not have a lot of knowledge power, as she relies on other people for information to be able to do her job. As she tends to do everything else on her own once she has the information, she could be feeling uncomfortable with the fact that she actually does have to maintain relationships with more dominant people when she would probably rather work on her own.

Happiest being around submissive people, W10 seems to resent dominant managers and having to take orders from others. She has quite a bossy demeanour with people who are more junior than her in the hierarchy but it is probable that a lot of the bossiness arises from her fear that M9 will be dissatisfied with the work done, as he often is, despite the quality of her work. His constant admonishment further reduces her already low self esteem. It is almost like the nastiness she receives from M9 needs to be passed on through W10 because she cannot absorb or cope with on her own way. W10 mimics her manager's style, despite hating it herself. If she is conscious of this, it could lead to self-loathing about not being sufficiently strong to break the cycle and conduct herself in a way that she believes is professional and acceptable.

W10 is an extremely overweight woman and although she attempts to dress in power suits, again the impact is lost due to her physical unattractiveness. As her clothes frequently do not fit due to her size, it is easy to think that her appearance is not particularly tidy despite the fact that the clothes would look quite sharp if they fitted and she cut a more attractive figure. As a result, W10 does not have much relationship power or interpersonal power at all.

5.4.3 TAX

5.4.3.1 WORKER TWELVE (W12)

"The Quiet Taxman"

W12 works for the Fiscal Department within the Company. His job is to monitor and help set the effective tax rate for the Company and help M11 make tax decisions. He is a very easy going and friendly person, who seldom has a bad

word to say about anyone. He rarely will broach a conversation about the inner workings of the Company, and if he is going to say anything, it will always be in hushed tones asking the other person's opinion. W12 does not appear to have the confidence to voice his opinion, but rather seeks opinions and views from others and agrees with whatever they say. This is illustrated in the following quote from his interview.

> *"I am very happy with what we are being provided with currently". (W12, interview quote, 2003)*

He has little power for this reason, however, as Foucault would say, this is not necessarily a negative for him. W12 does not suffer as a result of being submissive as he has such low self confidence that he seems to be happy to lack power.

It is difficult to say what W12's workload is really like, as he has so few relationships with others. He does not appear to work long hours, and seems to have a good relationship with M11. M11 would impact upon W12's workflow but he would be the only one. M5 does get a very small amount of tax related information from W12 for the Annual Report but this is always the same information, year by year, and not difficult for W12 to provide.

Although he is capable of expressing his opinions quietly to selective people, W12 is not always capable of broadcasting his opinions to a wider audience. This is because other people frequently interrupt and talk over him. As a result he is not heard. This is a way the other people exercise their power and W12 as a result loses his, for without being heard, it is difficult for him to establish relationships.

One way that W12 has attempted to overcome this hurdle, is to align himself with the dominant people around him so that they can be the 'carrier' of his opinions without him actually ever having to step into the limelight and voice them himself. W12 is very clever in this sense and has worked out how to make his submissive position work best for him. The reason why W12 does not derive more power from this and is ranked quite low in the power hierarchy, is because he is so quiet that often his opinions are not even heard by the 'carriers' and therefore he loses power when this happens.

W12 has no kind of interpersonal power at all, actually appearing quite asexual in many ways. He totally lacks physical intimidation due mostly to his extremely soft

manner and inability to power dress at all. His overall ‘soft’ appearance and manner mean that he has little ability to experience relationship power.

5.4.4 SUMMARY

This chapter discussed the thirteen workers who were interviewed for this case study, with six workers having jobs within the Finance Department and the other seven workers having jobs in other departments such as Treasury, Fiscal, Tax, Corporate Communications or one of the three Divisions, and their associated power ranking. The research was undertaken using a Foucauldian perspective with interpretative methodologies using the case study and observation methods. The analysis of each impacted individual is derived primarily from the interviews and these findings are reinforced by observation. The following chapter shows a similar analysis for the managers in the case study.

6 CASE STUDY DATA II

6.1 INTRODUCTION

As discussed in chapter five, the case study has been split into two, with chapter five being the case study analysis of the workers and this chapter being the case study analysis of the managers. From here, the managers are split according to where they work: within the Finance Department and outside of the Finance Department. The analysis was developed from both the interviews and observation combined, and produced into a personal 'pocket biography' or profile for each individual.

The objective of this chapter is to discuss profiles formed for each of the managers interviewed, and rank them according to their power rating. This power rating is then compared to their job description on paper. How power relationships then impact on workflow or promote forms of resistance are then discussed. This chapter, as well as the previous chapter five, is the combination of the researcher's understanding of the Foucauldian concept of power as applied to these individuals, using the interpretative methodology selected which feeds into the case study method chosen with a triangulation (Gillham, 2000) of observation and interview methods.

Twelve managers were interviewed for this case study. Five managers had jobs within the Finance Department, and the other seven managers had jobs in other departments such as Treasury, Fiscal, Tax, Corporate Communications or one of the three Divisions. All of the individuals interviewed from these other departments, had relationships with the Finance Department. The Finance Department is reliant on getting information from all of these Departments, and consequently either directly or indirectly from the individuals interviewed, for their deliverables.

Following, under section 6.2, is the analysis that was developed from both the interviews and observation combined, and produced into a personal 'pocket biography' or profile for each manager.

6.2 MANAGEMENT – OVERALL

6.2.1 MANAGER ONE (M1)

"The Big Boss"

M1 is the CEO of the Company and is responsible for the overall direction and running of the Company. M1 could be considered the 'face of the Company' and is responsible for ensuring that his team of directors, M2, M3, M4, M7, M9, M10, M11, and M12, all perform their roles to his and the shareholders' expectations. His role could not really get any broader as it entails thinking about all aspects of the Company, from monitoring competitors in the market, deciding when to make good strategic acquisitions, to ensuring that the Company is a good corporate citizen by donating Logistics' time and resources to the World Food Programme.

M1 reports to the Board of Directors of which he is a member, to the Supervisory Board (who oversee the general performance of the Company), and also to the Audit Committee (who oversee the compliance and corporate governance of the Company). From a broader perspective, M1 is also reports to the shareholders of the Company via each quarterly results release, the annual report, and any adhoc press release or presentation he might undertake.

As one can imagine with this kind of position, M1 has an enormous workload. He is helped by his Personal Assistant to prioritise work and also relies on the Directors to make sensible and timely requests to him so he can meet the required deadlines. M1 copes with his large workflow by delegating and regulating the workflow. As he sets most of the Finance Department deadlines himself, he expects M2 to communicate and enforce these deadlines, ensuring information gets delivered to him on time. He will always cut others short on time to allow himself more time to review information and never fails to prioritise his time as more valuable than anyone else's. In this sense, M1 has a huge impact on the workload of everyone who was interviewed for this thesis. If M1 shortens a deadline, which he does frequently for a Finance Department deliverable, Finance then have to shorten the deadline they have given the Divisions or other departments for the information they need from them. This means that everyone, regardless of their position, is affected by M1's decision. Whilst he can impact absolutely everyone's workflow, no-one impacts on his as he holds such relationship power that there are no individuals who would dare to not meet one

of M1's demands. This power, as well as his absolute ability to delegate almost anything, is what gives M1 his ranking. By being able to delegate almost anything, M1 prevents himself from having an unmanageable backlog of work.

The fact that the Company has one individual at the top with ultimate power that no-one can refuse, might sound like a negative thing. However it really means that the Finance Department, and the rest of the Company who report to him, ensure that things get accomplished and goals are achieved, which is an enormous positive. With a 'weaker' leader, the Company probably would not bring as nearly as much to fruition.

Although M1 is 'tough' on everyone below him in terms of what he expects and demands, this impacts most individuals productivity in a positive way rather than a negative. Most people seem to have a sharpened focus around M1 in the knowledge that he will not accept anything less than the best, and seem anxious to meet the heightened expectations. However, some individuals such as M8, do not react well to this and the pressure increases his state of agitation which is then passed on through M8 to his subordinates, primarily W7, W5 and W9. The reaction of apathy that M8 often inspires from his workers does not however pass on to the work that they produce for him if they know it is ultimately going to M1. M1 generates so much respect and exercises so much power that these workers will overcome their intense dislike for M8 and work hard with M1 in mind. This illustrates how strong M1's relationship power truly is.

M1 is an extremely powerful figure, having a reputation for being tough and extremely smart, with little patience for fools. He worked his way up the Company ladder, starting in the Finance Department as an Accountant and gradually working his way up to Director of Finance, CFO and eventually CEO. M1 is young (late 30's) and highly ambitious. He is not a particularly attractive person to look at being short and round, but when he gets on a platform to speak, everyone seems to listen. It is not that he is incredibly awe-inspiring or even highly charismatic, but he successfully captivates audiences with his strong personality, passion for the business and by being unafraid to say what he thinks. This shows not only that M1 has strong interpersonal power, but also that he is not afraid to take relationship risks. His speeches are refreshingly free of technical jargon and are not cluttered with unnecessary words. Being Dutch his English is direct, some might say a little basic, but he holds his own among the analysts and journalists who fire complicated questions at him in English.

M1 claims to love the Company and there are few who would doubt this. He has made the Company his life, working extremely long hours and constantly travelling around the world to keep in touch with business units in different countries. He is very media conscious and innovative in this field, having people such as David Letterman and U2 do internal promotions for him. He likes the idea of being admired and feared all in one package and is very difficult to work for as a result.

As a perfectionist, he has a great eye for detail. Hence, anything of importance will go to him for review and will returned almost immediately despite his workload, accompanied by numerous questions about the figures, report or article, highlighting his knowledge power. The questions are generally very smart, perceptive and original, encompassing ideas and concepts not previously considered by the source. However as M1 gets further from the day-to-day running of the Company and more into the overall strategic direction setting, increasingly the questions he raises are ones that have been explained to him already and he has forgotten. M1 is aware that he is doing this, as illustrated in the following quote.

> *"I have been a bit too distant from the process" (M1, interview quote, 2003)*

Somehow, although one might think that this would reduce his knowledge power, as he is so important and so powerful, people are prepared to excuse this forgetfulness on the grounds of him having one of the most stressful and difficult jobs around. This allows him to retain his exceptional power.

M1 has the ultimate power within the Company, both in writing and in reality. No-one else even comes close to him in terms of the amount of power that he exercises. The only way his power could diminish is if he gets too distant from the nucleus of operational day-to-day issues facing the Company. This would result in relationships diminishing, thus reducing the power that flows to and from him.

Culturally, M1 is a very typical Dutchman and displays a fair amount of Dutch bluntness and has a strong focus on profits. M1 is not typically good looking and therefore it would be fair to assume that he does not gain a lot of his power through being attractive. However, women are attracted to M1 as he exudes confidence and seems to have such security in himself and his position that his

ego appears quite robust. He has a sense of being untouchable which enabled him the freedom to be quite prepared to take relationship risks. His assumption that attractive females would love to be with him actually turns into a reality due to the strength of his confidence, wealth and power. M1 is a great example of how appearance need not be the sole impact on one's attractiveness as confidence, demeanour, risk taking and power can impact heavily upon this as well.

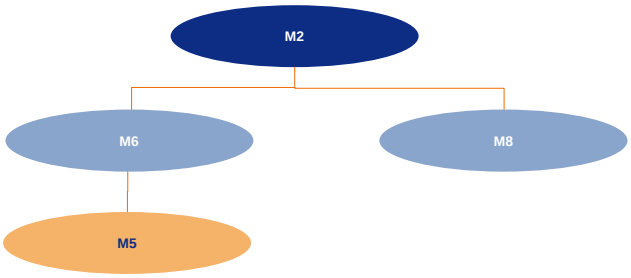
Upon first observation, one might think that M1 would like to surround himself with like-minded individuals – others who are not afraid to be heard and would challenge him intellectually. However, due to the way he reacted at times to M3, it became clear that M1 preferred submissive people who would do exactly as he wanted and would present few challenges. Thus his power would be further increased rather than eroded, and these relationships would have the effect of stroking his ego. M1's preference for submissive people could also potentially be because they would unquestionably take orders from him inflating his knowledge power and also relationship power.

This situation is not necessarily harmful to the submissive people who are around a person like M1, as they can have a symbiotic type relationship with the dominant person. The submissive individual gets to live vicariously through M1 as he is unafraid to take relationship risks and face rejection. The submissive person would not even comprehend exposing themselves to the possibility of such rejection and therefore would not take the risks themselves. This is despite perhaps desiring the potential 'upside' if it went the other way and they did not get rejected. This way, the symbiotic relationship that the submissive person has with the dominant person can be seen as the 'best of both worlds' to someone who wants to take risks but cannot bring themselves to overcome their fear of rejection.

6.3 MANAGEMENT – WITHIN THE FINANCE DEPARTMENT

The hierarchy diagram which follows, gives an overview of all of the managers within the Finance Department interviewed for this case study, shows their placement according to job description, as well as showing their power rating at the time of interviews. These individuals are then discussed in the order of their power ranking.

Figure 6: Managers within the Finance Department as at 28 March 2003



Source: created from interview and observation notes taken by the researcher during the course of the case study

6.3.1 MANAGER TWO (M2)

"The arrogant, sexist Department Head"

A staunch member of the 'old boys network' within the Company, M2 is an arrogant Dutch male. He has worked for the Company for approximately the past 20 years and is the Director of the Finance Department. M2 has held this position previously. He left the role approximately five years ago because he did not get on with the staff beneath him and was considered by upper management at that time to not have enough 'people skills' to do the job well. Nothing has changed five years on, and when he stepped up to the role recently, he demonstrated that his people skills still leave little to be desired. His sense of his own importance is illustrated in the brief quote below.

"I will be part of the changes of the future". (M2, interview quote, 2003)

M2's role involves him managing the workflow of the Finance Department by ensuring that the Finance team meet all their deadlines and deliver quality, timely reports in a proactive and accurate manner. M2 reports directly to M1 and is also responsible for communicating the Finance Department's outputs to the Board of Directors and the Supervisory Board. His direct reports are M6 and M8 but ultimately the whole Finance Department is answerable to him. However, because M2 is so focused on hierarchy, he communicates only through M6 and M8 and occasionally through M5 if he cannot reach M6 first.

Rejection is part of the way M2 exercises power to emphasis the importance he places on hierarchy. He will not approach an Accountant to get work done, but rather will discuss the issue with their Manager who, depending upon the individual, may or may not have a good understanding of the work required. This means that the Accountant is getting information second-hand and there are instances where the information simply 'falls through the cracks'. This is most frustrating for the Accountants, who then get blamed by M2 for not having done the job properly. It also means that the lower workers in the hierarchy feel constant rejection from M2, which is a direct result of him exercising his power and this allows him to gain strength from rejecting people.

The impact on the workflow of the Department due to M2 only speaking to two of the managers, is immense. When information 'falls through the cracks' a lot of time is absorbed trying to either struggling to perform the request, amending the request or completely re-performing the entire request. The individuals who get impacted by this the most are W2, W3, W7, W5 and W9. This causes a huge amount of frustration for these workers and can double their workload instantly due to not having complete and accurate instructions to begin with. However, as M2 does not work long hours, converse with the workers, or probably even care what they think, he does not make any efforts to change his flawed management style. The only people he might listen to are M6 or M5, neither of whom would say anything to M2 about the problems and backlog he causes as they are so focused on building their relationship power by avoiding conflict. They also probably both gain some power from having M2 always come to them first, making them feel 'exclusive' to him. It is possible that despite the extra workload this incurs, they do not wish to sacrifice their feelings of importance for an improvement in efficiency within the Department.

M2 is very good at delegating down work to reduce his own workload. He is not afraid to pass on tasks that may or may not be within the realm of that particular person's job description. He will often get them to do the task he asks regardless of their particular skills by saying that they should be capable of doing it. By bullying and humiliating people into accepting tasks which may or may not be within their reach, he reduces his workload dramatically. This is also a way of unfairly highlighting perceived inadequacies of the Finance Department staff. Where the previous Finance Director (M3) put in very long hours, particularly in the beginning of his role, M2 seems to work fewer hours than M6 and M8, his managers immediately below him. This shows how M2 gains power from

delegating and prevents himself from having a backlog as he does so little of the work himself.

Whether or not his subordinates who are given the tasks can complete them competently is really irrelevant to M2, as either way he 'wins'. If the subordinate cannot complete the task, M2 gets the satisfaction of humiliating that person by making them feel intellectually lacking and will continue to ply them with work as he insinuates that they obviously need the experience. If the subordinate can complete the task, then M2 gets the satisfaction of saying he told them so and also can make them feel guilty for not having attempted this kind of work previously, therefore implying that they are lazy. This exercise of power is disguised as knowledge power but in reality as M2 probably knows less than he gives himself credit for, it is a display of relationship power.

M2 is also extremely sexist. The Finance Department is male dominated, with only three females and eight males as of June 2002. As a general rule, M2 will not approach any of the female staff with work issues. When this was raised with the managers within the Finance Department by one of the female staff members, they were told that it was because M2 could not talk to her about 'cars and things that he is interested in'. The female staff member was consequently very confused as to how this had anything to do with work allocation or work issues. M2 has also been known to make inappropriate or derogatory comments in the work environment. An example of this occurred at a dinner for the Finance Department which was held at a restaurant. M2 made comments about the female waitress and parts of her anatomy. This was well within earshot of two female members of the Department and as a consequence, they both felt very uncomfortable. This is a clear example of M2 exercising his power by demeaning others around him, not only the waitress but the female staff members who overheard this, to push them into subordinate status and deplete them of power. It is possible that M2 may have felt slightly threatened by these two females, but as they were subordinate to him the remarks seemed aimed at keeping them well aware of how much more power he had than them. This illustrates that he was prepared to take huge relationship risks with the two females as he did not care if they were offended by this or not. This is a very obvious display of M2 exerting his power.

The extreme arrogance of this man is demonstrated by the way he regularly voices his opinions in an indiscriminate and untempered manner. A week before

he was appointed as Finance Director, he said to a Finance Department Accountant that he did not want the job anyway, the hours were too long, it was no longer a challenge, and besides all of that, he hated working with people. Consequently, it came as a considerable shock when a few days later, M2 was announced as the Finance Director. The announcement was made via email internal press release and was not announced in person by M2 to his new Department. M2 just moved into his office, and started to run the Department. This poor communication, and the adverse effect it was having on Finance staff morale, was eventually relayed to M2 by M6. As a direct result of that conversation, a month after M2 took over the role, M2 addressed his new department for the first time. The announcement was an outright display of M2's power. M2 did not sound excited about the role at all, or say that he was looking forward to working with everyone in the Department. Instead, he talked at length about his salary negotiation process, how the CEO had 'begged' him to do the job as no-one else was capable, and that he had managed to 'screw' a lot more money out of the offer as a result. Again, this is M2 exercising his power by making the new position sound unimportant to him, implying that the subordinate staff are also unimportant to him consequently demeaning them.

The fact that M2 also was verbally very open about the CEO 'begging' him, illustrates how rejection is often broadcast to others, which is another reason that subordinates fear rejection so much. By making that statement, M2 was demeaning the CEO, rejecting everyone around him and sending out a clear message that he is not afraid to reject people then broadcast it to others. The reason M2 would want everyone in the Department to be aware of this is to create an atmosphere of fear and therefore increase his feeling of power over the Department. This deliberately sets the scene for the Finance Department to feel isolated from M2 and not to anticipate much support, guidance or quality performance from their leader.

The Finance staff definitely walked away from the meeting with a sour taste in their mouths, as there was no welcoming feeling but rather just M2 exerting his power by congratulating himself on getting a big salary, stroking his own ego as well as creating an atmosphere of fear. This meeting was the topic of coffee room conversation for some time and it was obvious that the staff had lost respect for M2 and generally felt quite a lot of contempt towards him. However underneath it all, they would have been too afraid to ever stand up to him and tell him this. It is not uncommon with individuals like M2 to be disliked by others as a result of

constantly rejecting people. People around individuals like M2 do not like running the risk of being demeaned and therefore are uncomfortable around people like them.

M2 has a lot of power in that he has the ability to influence managers within and outside of the Finance Department, by being very dominant in relationships. He may lose respect in the eyes of both the workers and some of the other managers by being arrogant, disinterested and demeaning towards the workers, subsequently deteriorating his relationship with them. However this does not currently seem to bother the other managers, apart from M6 to a small degree.

It is clear from the way he struts around the office that M2 has a lot of interpersonal power as he believes he is attractive as well as physically intimidating. This behaviour has an interesting effect on the women in the office. When they get together, they often discuss how M2 believes he has a lot of relationship and interpersonal power, consequently a large ego and also that he thinks of females purely as sexual beings with little other use. This is often said with a great deal of distaste and the general feeling in these conversations is that most women dislike M2 rather intensely. However, one on one with M2, it is possible that some of the more submissive females behave differently with him and actually have difficulty in turning down his charm. In other words, within a group there is a group consensus that he is hugely disliked, however one on one it is possible that some of the females actually seek approval from M2 and are secretly flattered by his advances, as this helps them gain relationship power.

M2 is like M1 in that he would prefer to be surrounded by submissive people who pander to his every want and need with no arguments, as this makes him aware of his power. M2 gains power by being the dominant party in most of his relationships. He is however, submissive to M1 as an exception, probably due to the high value he places upon hierarchy and the fact that M1 has much higher relationship power.

6.3.2 MANAGER FIVE (M5)

"The Pole-Climbing Scotsman"

M5 is one of the managers within the Finance Department. His role as the Group Financial External Reporting Manager essentially entails being in charge of the Annual Report, supervisory board reports and press releases. M5 coordinates the collection, the collation and the presentation of the information. He is responsible for ensuring that the information is correct and that the commentary reflected the reality of the numbers. The main part of M5's job is to find out all of the different reasons as to the trends of the results so that he can relay these to M6 for him to decide what elements to discuss.

Reporting directly to M6, M5 has little to do with the other managers including M8. He gets on really well with M6 and there is quite a lot of friendly banter between them. M6 respects M5's opinion despite the fact that M5 is often quite submissive with most members of upper management. M5 is unafraid to voice his opinion to M6, who respects him for this. This gives M5 not only relationship power, but also more confidence in his knowledge power as well.

M5 has quite a lot of contact with W1, W4, W10, W11 and W12 outside of the Finance Department, as well as W2, W5, W7 and W9 within the Finance Department. He is good at delegating and therefore manages his quite heavy workload in this way. In saying that, he is also very conscious of what upper management think of him, so will often arrive at work very early, around 7am each day, and work very late into the evenings. However, M5 is not productive the whole time he is at work. He frequently is either seen in the coffee room, on his mobile phone to friends or in other people's offices having a chat. This shows M5's belief in building up relationship power in order to progress up the hierarchy in the organisation. M5 stays really long hours in the office with the belief that if he is 'seen' to be at work a lot, upper management will believe he is giving a lot to the Company and therefore has upper management potential himself.

This desire to move up the hierarchy is illustrated in M5 not wishing to potentially reduce his relationship power in any way. M5 should really confront M2 with regards to the inefficiencies in the Finance Department caused by M2's poor work allocation techniques to reduce friction with his subordinates and increase his respect from below. However, he is unlikely to do this as he would view the relationship power that circulates him from above as more important and more potent than relationship power that might circulate from below. M5 would like to be able to exert more power by increasing workflow allocation to the Divisions, as illustrated in the following quote.

> *"Before there was too much fire-fighting. I think we all work together well as a department, the issue is more getting divisional finance functions to 'buy into' what we are trying to do – trying to find the common ground maybe by sharing the responsibilities for some things with them". (M5, interview quote, 2003)*

The poor work allocation from M2 impacts M5's workload as it does others. The cumulative effect of this however, probably impacts M5 more than most, as it heavily impacts M6 who absorbs some of the additional work but delegates some of it down to M5. The reduced timelines and deadlines which filter down from M1 impact M5 significantly and dictate how hard M5 has to work whilst he is at work. Subordinates below M5 tend to like him, and despite the fact that he does not stand up to management, most of the workers tend to try their best to get work done for him on time and to a high quality. The one strong exception to this case is W5 who does not seem to care much about either the deadlines or the quality of work he submits to M5.

M5 started in this role about three years earlier, and has worked hard not only to maintain his position but also to be considered for positions above him as career progression is very important to him. He is a good natured and humorous person, who is well liked by his colleagues. He does have strong opinions and although he will make them clear to the people below him, he will not necessarily always stand by them with more senior management if they disagree with them. This could be a way of him allowing senior management to exert their relationship power over him, and M5 deliberately permitting them to do so in the belief that they will like him more, therefore increasing his possibility of promotion.

Desperate to make the climb up the career ladder within the Company, M5 often talks about the importance of networking and how one should maintain a professional image if one is to be taken seriously. This highlights how he is very aware of the importance of relationship power. M5 always wears power suits and cuts a good looking figure in them, giving him interpersonal power from being attractive. He does not necessarily admire or even like many of the managers above him, but he will still make the effort to be nice to them and try to learn as much from them as possible, in a hope that he will gain relationship power from them.

M5 has a moderate amount of relationship power because he is well liked by his colleagues and they will often back him up when anything he suggests is being debated. This is due to the fact that he has a reasonable amount of knowledge power. Where M5 lacks power, is when he concedes his opinions early to top management in an attempt to 'get along' with them and be well liked. This compromises his knowledge power and reduces his relationship power with the subordinates. However, the flip side to this is that M5 does gain a relative amount of relationship power with most upper management as they like that he can be submissive towards them and this increases their own feelings of knowledge and relationship power. This means that his power both increases and decreases by being the submissive party in most relationships he has with people further up the hierarchy, although he gets on well with both submissive and dominant personalities.

Submissiveness to more senior people need not be a disadvantage to M5. However, it is in that he will find it difficult to move up the hierarchy, which he is desperate to do, if senior managers do not have respect for him and there is not a certain amount of power that he derives from them. Despite most of the senior management, particularly M1, M2 and M4, enjoying being the dominant party in their relationship with M5, they could have difficulty accepting him into their circle of seniority unless he demonstrates some of the characteristics that they have. They may feel that he lacks the strength of character to be sufficiently dominant to be successful at the senior level.

6.3.3 MANAGER SIX (M6)

"The eager-to-please middle man"

M6 is a Dutchman who has been working within the Finance Department for the past 8 years and is currently one of the Department's Finance Directors. He has a long history with the Company and is well liked by his colleagues.

M6's role is similar to M5's role although it is at a higher level. His role as the Group External Finance Director means that he is responsible for receiving all the information for the Annual Report, supervisory board reports and press releases from M5. He also then makes decisions on what should be shown in these reports and how the information should be presented and explained. M5 provides the

commentary behind the numbers to M6. Where the numbers might have been affected by something that the shareholders or public may construe to be negative, M6's job is to find out what else might have impacted upon these numbers and emphasise those reasons rather than the negative ones. It is not 'story-telling' or 'spin-doctoring' in the true sense of these terms but is definitely an exercise in deciding which 'truth' is best to highlight.

As M6 is very much a 'yes' man, he is frequently ordered around by M1 and M2, conceding to their power. An example of this occurred when M6 was told by M1 to make a change to the way forecasted revenues were calculated for the Budget within the half-year Supervisory Board Report, without disclosing the change. This would have meant that the Supervisory Board would not be aware that the figures were calculated in a different way from usual, giving a more favourable result. When a subordinate accountant, W3 and M5 complained to M6 about being asked to do this, stating that it was illegal and was against the code of ethics for the Institute of Chartered Accountants, M6 told them that it was on M1's orders and if they did not do it, then M1 would just find someone else who would. This illustrated to the subordinate, W3 and M5, how much power M1 has over M6. M6 was aware of why he should not be agreeing to do this, but was so willing to please, or so afraid of saying no to M1, that he compromised not only his own ethics but those of his staff by ordering them to undertake the deception. This action decreased M6's power as he was then seen as someone who cannot stand up for what is right or what he believes in because he is so eager to gain approval from his superiors. It is also a good example of how power distorts the smooth functioning of the Finance Department.

M6 is very disillusioned about his job. He is very overworked, which again is a symptom of M6's inability to say no to M1 or M2 and his poor ability to delegate. He often discusses with his staff his unhappiness with the Finance Department and how he disagrees with how it is run by upper management. He has made little inroads in getting the Finance Department to be more cohesive, and allows top management to completely dictate how everything is done within the Finance Department, making M6 purely a messenger.

The result of M6 being a 'yes' man is that more work is pushed down into the Finance Department, which impacts the whole Department to a certain degree but mostly that of others like M5, W2 and W7 as well as his own workload. He absorbs the majority of the extra work himself and only delegates some. Asides

from himself, the additional work that he seems to take on, often seems to impact W2 the most. As so many different reports and pieces of analysis are produced by W2, this would create a backlog if W2 was any less diligent than he is. Instead, W2's workload just seems to be on an ever increasing axis of production, thanks to M6's inability to rationalise with M2 or M1 as to a reasonable workload for his staff. Despite having strong knowledge power, M6's lack of relationship power and the dominance of M1 and M2 over him, mean that he appears to have a strong fear of rejection which is driving his actions.

Although M6 probably is one of the individuals who disrupts the workflow of the Finance Department the most, he is strangely not resented or rejected by either the workers or the managers. Most individuals seem to feel sorry for M6, thinking that he has been bullied into decisions and put into situations where he is unable to say no. This enormous amount of empathy that M6 generates from people is reflective of his strong relationship and interpersonal power. An individual without empathy from others may find themselves ostracised from the team due to increasing their workloads significantly and constantly. This would have the potential to dramatically disrupt the workflow of the Finance Department, but M6's relationship power seems to pull him through. His good communication skills and ability to make individuals feel included gives him strong relationship power as illustrated in the following quote.

> *"The people side can be negative because people get swapped around and if they are not properly involved then it can be negative on people's feelings. It depends on people's perception – some see change as positive because of increased opportunities whereas others are not after than and then the change has a negative impact". (M6, interview quote, 2003)*

Despite appearing almost submissive in the way he takes orders from the top, M6 still has power flow through him due to the strength of the relationships he has around him from both management and workers. The business acumen that he has built up from being within the Company for so long also gives him knowledge power. This is a great example of how power can come from anywhere, and is not necessarily hierarchical.

M6 is neither attractive nor unattractive and it would be fair to say that he does not gain or lose interpersonal power from his attractiveness. He is not physically intimidating nor does he power dress in an effort to gain power. This is fitting as almost all of his power is through knowledge and relationships rather than interpersonal power.

6.3.4 MANAGER EIGHT (M8)

"The loathed new-comer"

A recent addition to the Finance Department, M8 is a middle aged Dutchman. He joined the Company about eight months ago and was disliked almost from his first day on the job by both management and the workers. He is perceived as being very arrogant and also an extremely stressful person to be around. He appears to be in a panic about everything which alarms the people who work underneath him. They consequently have little idea as to what is really serious and warrants the stress, and what is not.

M8 was originally brought into the Finance Department to fill a top management gap which was created when the Planning Manager left the job. He did not fit straight into this role, and with M3 in charge of the Finance Department at that time and also acting as CFO, it was unclear exactly what M8 should be doing. When the M3 came to move, and vacate the Finance Director position, M8 assumed that he would be the one to get the job. When M3 had to decide who would be his replacement, it came as a shock to M8, that M6 was being considered as the favourite for the job. M6 has a long history with the Finance Department and had proved himself to be more than capable of taking over on recent occasions when he was required to do so. M8 had done little more than ruffle a few feathers since he joined the Finance Department, and was lacking the personnel skills to manage a Finance Department of that size. His view on the role he thought he was supposed to get is illustrated in the following quote.

> *"I was told that I should team up with M3 because he will either take over the role of CFO or disappear and that I could take over his function as Director of Group Financial Reporting and Planning. So I joined the team with the understanding that I would succeed M3 but to arrange it internally it was decided to spilt up the tasks. I needed a title, because it made no sense if I didn't have one". (M8, interview quote, 2003)*

In a surprise move, M3 chose both M6 and M8 as Finance Directors, and attempted to divide the Finance Department into two with the intention that each manager could have their own team. This did not go down well with the workers, but M3 did not care as he had been passed up for the CFO role and was going to work in a Division, so worker motivation and happiness within the Finance

Department would have been of little concern to him. To make matters worse, there was poor communication about the new structure of the Finance Department and for half of the workers their new boss seemed flighty and unknowledgeable, adding to the feeling of unease.

M8's role is to ensure that the internal finance team who generate the planning, forecasts and budgets as well as other internal management performance reports, collate the right information and present it correctly. As M8 has such little knowledge power and no Company specific knowledge, he is not able to perform this role to the level that is expected of him both by the staff and the other managers. He is not able to challenge his workers as he does not know the business well enough to ask pertinent questions. W7, W5 and W9 all report to M8, and M8 reports directly to M3 having very little to do with anyone else.

Combined with M8's lack of knowledge power, the fact that he gets so flustered by M2 and M1's information requests, means that M8 increases his and his subordinates' workloads by being unable to say no. He is also viewed as a 'yes' man, just like his colleague M6, and over-promises whilst under-delivering to top management regularly. This is deeply resented by the workers, which in contrast to M6's situation, is probably due to their lack of respect for M8. In retaliation for increasing their workload, the workers tend to de-prioritise M8's work, putting him under greater pressure and more stress. This is a deliberate act of punishment performed by the workers. Consequently, M8 does not seem able to exercise any relationship power.

M8 does not have much power, despite the amount of noise he can make. This is because he has lost respect of both the workers and the other managers by being so impetuous and unreasonably demanding, reducing his ability to gain power through relationships. He has no interpersonal power as he is so loathed and is not seen as either attractive or physically intimidating. M8 does not wear power suits, instead often dressing in poorly matched tweed jackets with quite casual trousers. As M8's limited power is not 'accepted', it does not produce results or help form knowledge. He is also perceived as weak due to both his lack of power knowledge and his lack of relationship power. This is quite devastating for a manager as no-one will listen to him as a result. Unless this fundamentally changes, it is bound to cripple M8's progress as a manager and also impact upon the functioning of the Finance Department.

6.4 MANAGEMENT – OUTSIDE THE FINANCE DEPARTMENT: DIVISIONS

The hierarchy diagram which follows, gives an overview of all of the managers within the Divisions interviewed for this case study, shows their placement according to job description, as well as showing their power rating at the time of interviews. These individuals are then discussed in the order of their Divisions.

Figure 7: Management outside the Finance Department: Divisions, as at 28 March 2003

Source: created from interview and observation notes taken by the researcher during the course of the case study

6.4.1 MAIL

6.4.1.1 MANAGER TWELVE (M12)

"The Long-Serving Dutchman"

M12 is the Finance Director for Mail and worked in the Company for 36 years. He is one of the longest standing employees and is another of M1's 'old boys club'. M12's role is to ensure that the Mail Division delivers quality, timely information to both the internal and external teams in the Finance Department. M12 does not seem to be overly concerned about deadlines or the quality of the information that he produces which, as discussed in section 5.0 of this thesis, is a common characteristic of the Mail Division.

In keeping with the whole Mail Division, M12 is a quiet individual and keeps to himself a lot. Not only is the Mail Division geographically isolated from the rest of the Corporate Head Office, but they seem to be mentally separated as well and talk only to the Finance Department when it is totally necessary. M12 tends not to call anyone in the Finance Department if he has a question, but rather takes a guess and goes with that. The mild-manner of this individual is shown in the following quote, where he appears to not even get irritated by duplicate information requests from the same department.

> *"But I have no complaints about the past. Everyone is doing their very best although sometimes I get the same question from two people so the internal co-ordination could be improved". (M12, interview quote, 2003)*

M12 appears to delegate all of his work and do very little himself. W13 works directly underneath M12 and whilst W13 seems to be very busy, no-one is sure exactly what M12 does. All of the Mail Division deliverables received by the Finance Department come through W13 rather than M12. This leads to the assumption that M12 directly affects the workload of W13 but probably no-one else. M12 does not seem to gain power from delegation as he seems so removed from the functioning of the Mail Division.

M12 does not appear to have any interpersonal power as he does not seem even the slightest bit aware of himself. He is not particularly good looking, nor does he dress smartly or have a magnetic personality. M12 is completely submissive around all other managers, and one might suspect he is submissive to the workers as well, which is a power strategy in itself. By maintaining a profile of someone who is uninterested, M12 does not get involved in decision making and therefore reduces the risk of rejection. If asked, or more frequently, just told, to do something, M12 would not question the request at all, nor would he prioritise it. Instead he would drop what he was doing to perform the new task, regardless of whether or not it was more important, and so disrupting the workflow by being so disorganised.

As he rarely voices his opinions and has such little interaction with the Finance Department, it almost seems like a case of 'out of sight, out of mind'. Consequently M12 has very little power. Again, this is a classic example of how power needs relationships to exist. It also illustrates how power needs to be accepted to become real, as without the relationships the power does not exist, and therefore is not accepted.

6.4.2 EXPRESS

6.4.2.1 MANAGER FOUR (M4)

"The Stroppy Irishman"

M4 is an opinionated and strong minded Irishman, who is the Finance Director for the Express Division. He is very loyal to his Division and will do everything in his power to protect them from being overworked by Finance Department demands and to ensure that he gets the best out of them, as illustrated in the following quote.

> *"An example of the changes is that M6 and M8 said that the strategic rolling forecast was not going to go ahead for Q1 2003. I went to the Business Unit's and told them we are not doing it. Then M2 has decided that it will. I am not going to ask my division to do so after telling them that they don't have too". (M4, interview quote, 2003)*

M4's role is to ensure the Express Division is able to make timely and relevant decisions based on the financial information generated. He leaves the role of ensuring that Express delivers quality, timely information to both the internal and external teams in the Finance Department, to W4 who works directly below him. M4 is very good at delegating work down to W4 but in the same breath retains the higher profile, more difficult problem solving work for himself and generates relationship and knowledge power from that.

People tend to do exactly as M4 asks and never question him out of fear that he will get angry and make them look stupid. He gains power from being very influential with top management and workers. This dominance gives M4 power. However as he tries to exert it through fear and intimidation, the power is partly begrudged by staff. As workers, and some of the more submissive managers, tend to be afraid of M4, this generates a feeling of resentment towards him. This impacts heavily on the team spirit around M4 as often workers will feel like they are performing tasks out of fear, rather than functioning cohesively as a team to achieve an end goal.

The impact of people feeling like they cannot question M4 and have to do exactly as he wants is that their workload increases. Tighter deadlines or increased information requests are accepted by M4, provided they are from M1. In these cases, the increased workload is delegated downwards, provided it is not high profile in which case he retains it for himself.

M4 ultimately reports to M1 and has a healthy respect for him. M1 stands alone in not tolerating M4's behaviour and as a result M4 is not pushy with him. This consequential feeling of rejection only slightly dampens M4's ego and it is possible

that he may be passing that feeling on to workers due to finding the rejection from M1 hard to deal with.

With a striking Irish accent and distinctive good looks, M4 cuts a strong physical presence. He has quite strong interpersonal power due to by his slightly moody and unpredictable demeanour that women cannot seem to resist. M4 frequently dresses in power suits and has quite a physically intimidating air about him due to his height and irritable disposition. Again, M4 is quite similar to M1 and M2 in that he deals best with submissive people who do not challenge him as they tend to confirm how much power M4 exhibits. This contributes to poor work processes and lower productivity as these submissive people do not tend to challenge or question his requests. The impact of not challenging M4 is that the work tends to get done in exactly the same way as it has always been done, which is not necessarily the most efficient or practicable way, particularly in times of change.

6.4.3 LOGISTICS

6.4.3.1 MANAGER THREE (M3)

"The Intelligent, Popular Potential Leader"

M3 is an extremely intelligent and quick Englishman who has been within the Company for the past 4 years. In this time, he has held the positions of Director of the Treasury Department, Director of the Finance Department and the temporary Chief Financial Officer. Due to his intellect, he demands a lot from his staff but is a fair and reasonable person for whom to work. M3 often thinks 'outside of the box' and 'well out in front' of the people around him, giving him strong knowledge power. He is a good strategic thinker and rarely loses sight of the 'big picture' as illustrated in the following interview quote.

> *"The changes are very important but someone needs to revisit the role of the Finance Department. There needs to be a serious, open discussion about what the roles are and who does what". (M3, interview quote, 2003)*

M3 was enormously popular with his staff in all the departments in which he worked, giving him relationship power as well as having power knowledge from being successful at his job.

Although currently the Finance Director for the Logistics Division, M3 is in the process of stepping down from his role and looking for something external to the Company. M3 was the popular choice for the CFO position, and when the original Chief Executive Officer (CEO) left the Company and the then CFO (M1) stepped up into the CEO role, M3 was the person who they called on to fill the temporary role of CFO until they had decided on the best candidate for the job. M3 did the temporary role of CFO for nearly six months and everyone agreed that he had done a brilliant job.

Staff within the Company, as well as market analysts, predicted that he would step up to the role permanently once enough less-than-suitable candidates had been interviewed for the job to satisfy HR that he was the right person. It was quite a shock for everyone involved to discover that he had been bypassed for the role and an older, Dutch man with very little charisma and get-up-and-go, of which M3 had plenty, got the role. The shock heightened when, within months of the new CFO starting, it became plainly obvious that he had very little financial knowledge and was extremely difficult to deal with. The contrast between the new CFO and M3 could not have been more stark. M3 and others within the Company believe that he did not get the job because he was not Dutch, even though he was fluent in the language. It was commonly thought, that top management were complaining that the Company was becoming too international, with many different nationalities within the Head Office. They preferred working with other Dutch people as it eliminated the cultural differences that they had to deal with when they worked within a multi-cultural environment. The problem with this is that the Company overall is very international, being based in over 200 countries, and it is felt that the composition of top management should reflect this. The apparent attitude suggests that top management are reluctant to bother dealing with foreigners, despite the advantages that can arise from foreigners having different ways of thinking or approaching things.

M3's current role of Finance Director for Logistics is identical to that of M4's in that it entails him making timely and relevant decisions from the financial information generated about how to run the Logistics business. M3 reports directly to M1 and has the Logistics finance department reporting to him, including W1 and W6. He also is very good at delegating and leaves the role of ensuring that Logistics delivers quality, timely information to both the internal and external teams in the Finance Department, to W1. Again like M4, M3 is very good at delegating out work at the appropriate level, but retains the higher

profile, more difficult problem solving work for himself, generating relationship and knowledge power from that.

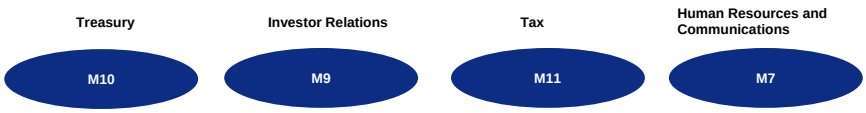
Appearing capable of coping with both dominant and submissive people, M3 holds a lot of power as he is not afraid to say what he thinks. He is direct without being blunt or rude, and always ensures that he gets his point across. He 'fights his corner' when necessary and is very loyal to his staff. This means that he balances the workflow of his department particularly well when compared to other managers at his level. Although he may make information requests of his workers, he does not create unnecessary requests and does not create a backlog. M3 has many supporters and admirers within the Company and is definitely seen as a person of influence which gives him power.

M3 does not have a lot of interpersonal power as he does not appear aware of himself at all. He is short, of fine build, somewhat attractive but does not generate the impression of being powerful. Although this has the possibility of reducing power, it does not seem to have this effect on M3. He dresses in well tailored suits which make him look professional, smart and conforms to the Corporate image. Due to his lack of interpersonal power, M3 is very comfortable around women and men alike, not treating one gender differently from the other. His inability to flirt and the consequent 'equality' with which he treats people, means that he generates a very professional persona.

6.5 MANAGEMENT – OUTSIDE THE FINANCE DEPARTMENT: CORPORATE

The hierarchy diagram which follows, gives an overview of all of the managers within the Corporate departments outside of Finance interviewed for this case study, shows their placement according to job description, as well as showing their power rating at the time of interviews. These individuals are then discussed in the order of their departments.

Figure 8: Management outside the Finance Department: Corporate, as at 28 March 2003



Source: created from interview and observation notes taken by the researcher during the course of the case study

6.5.1 TREASURY

6.5.1.1 MANAGER TEN (M10)

"The stick-to-himself Englishman"

M10 is the Group Treasurer for the Company and was brought in to do the job after M3 left the Treasury job to become Director of Finance. He has been within the Company for around two years and is one of those people who does not attract a lot of attention. M10 very much sticks to himself and only occasionally will come up to the Finance Department if he has an issue with which he thinks Finance can help him, as illustrated in the following quote.

> *"I haven't been involved in decisions, but that is not such a big deal. I have probably given views to certain people in an informal way." (M10, interview quote, 2003)*

M10's main role is to make treasury decisions on the analysis around the financial products that the Company uses to support their operations. This analysis is provided to him by W11. W11 reports directly to M10 and provides him with information around preserving existing cash funds and financial assets, liquidity analysis, hedging and foreign exchange decisions, and advice on the most appropriate and cost effective way in which business activities can be funded. M10 then reports directly to M1 and has very little to do with the Finance Department at all. All interaction between the Treasury department and the Finance Department is around information for the Annual Report, which is basically handled by W11 and just reviewed by M10.

It is hard to say if M10 has much of a backlog of work or not, but he does not impact the workflow of the Finance Department as the information that is passed on to Finance via W11 is always reviewed by M10 on time. He therefore does not appear to impact the workload of others and it does not seem like he exerts much power or influence. He is friendly enough with people, but definitely is not in the 'old boys club'. He has little power as his opinions on things are not readily known outside of his department and he does not have a lot of relationships within the Company. It could be that M10's own department are very aware of what he thinks although he is not that vocal outside of this domain, so this is speculation.

M10 seems to be 'typically British' in that he is very polite and quietly spoken. He does not get excited about things and never makes 'a scene'. His power distance within his own department seems to be quite short, and his lack of management presence makes his power seem low and the hierarchy within his department seem quite flat.

It is rumoured by both managers and workers that M10 is gay, despite being married, which has not been either proven or disproved to the knowledge of the researcher. M10 does not seem to have any interpersonal power in that like M3, he seems unaware of his sexuality and does not use it in any way to gain power. M10 seems submissive in the majority of his relationships although it does not appear to be to his detriment, proving that submission is in itself a power strategy. When he is around more dominant managers, M10 simply seems to accept what they say or ask and obeys them. The impact of this on the output of M10's work is that he can potentially increase his workload, as well as W11's, as others tend to allocate work to him due to the fact that he will not challenge their requests. However, as his work is quite separate from most of the other departments, they cannot ask him to do much. Although his workload may increase a little due to delegation by others, M10 does not tend to increase his own workload by trying to change the way things are done. During a period of change throughout the Corporate Head Office, M10's workload manages to remain relatively static due to his submissiveness and the specialist nature of his work.

6.5.2 INVESTOR RELATIONS

6.5.2.1 MANAGER NINE (M9)

"The Fiery Brit"

M9 is the Director of Investor Relations and has been with the Company for 15 years. His role is to oversee all the analysis and commentary that W10 generates to be able to explain market share price movements, strategies behind any acquisitions or alliances formed and dialogue as to whether forecasts and budgets had been achieved or not. This role also involves communicating the quarterly

and annual results to M1 so that he can present them to the market and field questions from the analysts alongside M9.

W10 works solely for M9, and M9 reports directly to M1. M9 is very focused on accuracy and completeness of the numbers and commentary as he knows that if he gets it wrong, then any number of people might discover the error. M1 would be the most likely to discover any errors that might exist and this would be detrimental for M9 who would not want to lose face in front of M1. However, worse still, would be if M1 did not discover an error, then the analysts, shareholders or market might discover the mistake. This would publicly discredit M9 hugely, reducing his credibility and therefore almost destroying his relationship power.

M9 is known for having a short fuse and a sharp tongue. He expects a lot from his employees, is very harsh with them and quick to criticise, as illustrated in the following quote.

> *"However, I always manage to get the answers I need, one way or the other". (M9, interview quote, 2003)*

M9 tends to sticks to himself and does not mix with the other managers much. M9 is very tough on W10, mercilessly putting her down and reducing her confidence. He will openly admonish her in front of other people in the Company, regardless of whether they are more senior than her or not. As M9 has a lot of knowledge power from having been within the Company for so long and has worked in several different Departments over the years, it seems unlikely that he criticises her in an effort to generate knowledge power for himself. It is probably more a result of him being aware that he has little relationship power, due largely to his sharp tongue and quick fuse, and by putting down someone else and reducing their confidence, he feels he generates power.

The impact of M9's behaviour towards W10, as discussed in Section 5.4.2.1 of this thesis, is that she ends up with a huge amount of work to do all on her own, and frequently in her own time. This initiates the vicious cycle of W10 doing long hours as she is afraid of not getting through the quantity of work required for M9 which in turn impacts negatively upon the quality of the work and productivity. Regardless of what W10 does, M9 will always be disappointed.

As he delegates so much work down to W10, M9 does not seem to accumulate a backlog. By delegating the work he does not think he is reducing his knowledge power, but rather giving himself the chance to exert relationship power by being critical of W10's output regardless of the quality and timeliness of it.

M9 is very much a no-nonsense kind of a person and as a result, has no time for discussing politics within the Company. He holds power in that he will occasionally say what he thinks around workers, but loses power in that he will not stand up to M1 or any of the managers to defend his point of view. M9's power has been impacted by the workers finding him difficult to communicate with as well as being more submissive than dominant amongst the managers. Like M8, as M9's power is not accepted it does not produce any results from the relationships, and therefore is diminished. He tries to gain power by wearing very smart power suits, but this does not make up for his diminished power due to his demeanour. M9 has no interpersonal power either, again due mostly to his disposition.

6.5.3 TAX

6.5.3.1 MANAGER ELEVEN (M11)

"The Meek-Mannered Tax Man"

M11 is the Director of Fiscal Services and has been with the Company for 4 years. His role involves setting the effective tax rate for the Company and making decisions around tax effective business structures. W12 is the only other person in the Tax department and he reports solely to M11. M11 reports directly to M1 and has very little to do with anyone else.

He is quite young in comparison with most of the Directors within the Company and is very easy going and mild-mannered. He has an opinion on things that impact him, but is not particularly vocal about his opinions and will not necessarily approach the other managers about issues. As illustrated in the following quote, M11 will not be vocal about his frustrations and instead just performs what he is asked to do by other managers, increasing his workflow as some tasks end up being done twice by him.

> *"We can discuss things with M2, and then the next day M8 can come and ask us the same questions. We then end up doing things twice which is inefficient". (M11, interview quote, 2003)*

M11 has a small amount of power in that he works in a highly specialised area and not many people could do his role, which is a fact that upper management respects. However as M11 does not tend to voice his opinions very loudly, if at all, his power is reduced. He appears to be reasonably happy being the submissive party in almost all of his relationships. This does not seem disadvantage him due to the specialised nature of his role, which gives him power knowledge. Also, he does not need to interact with other departments on a regular basis in his role.

It is difficult to be certain whether M11 accumulates a backlog of work as he rarely interacts with anyone other than W12. All of the tax work which requires interaction with other departments gets allocated to W12, which reduces M11's power as without interaction, he cannot form any relationships.

M11 displays a reasonable amount of interpersonal power as he is tall, very good looking and quite young for his type of role. He can be mildly flirtatious with women workers and is not afraid to use flattery. Whether he would be flirtatious with a woman manager is difficult to say as there are none. He uses this deliberate power strategy occasionally if he would like a particular result from a worker.

6.5.4 HUMAN RESOURCES AND COMMUNICATIONS

6.5.4.1 MANAGER SEVEN (M7)

"The Larger-Than-Life Old Boy"

M7 is the Director of Corporate HR and Communications and has been with the Company 25 years. He is one of the 'old boys club' and is great friends with M1. M7 is a larger-than-life Dutchman who is loud, confident and probably in the position partly because of his friends in high places.

M7's role involves him making strategic human resources and communications decisions. He does not appear to do much work and therefore has no backlog. M7

has several subordinates underneath him, but none of these were interviewed as part of this case study. The subordinates are more like administrators and perform very low level, mundane tasks leaving M7 to make all the decisions for his department. M7 does not have any deliverables for the Finance Department and therefore does not impact the workload of anyone else.

To his credit, M7 is someone who tries to 'walk the talk' which gives him a certain amount of power from his workers. For example, he was one of the main driving forces behind the open office policy, where almost all of the office partitions were removed and people worked on desks in one big open space. Most of the Directors retained their offices despite all the workers having no choice but to change. This was because apparently Directors need more privacy than workers. M7, perhaps in an attempt to prove how much he believes in the policy, gave up his office as a meeting room and works in the open space beside his workers. This won him a great deal of respect from them and consequently power. It was a deliberate power strategy by M7 to denounce his desire for power and approval from top management, as they would have felt pressure to do the same as he did.

M7 does not have any interpersonal power as he is very overweight and, like M3, does not appear to be sexually aware of himself at all. M7 has a lot of power in that he has a very strong network of friends who are all in top management positions throughout the Company. He appears quite easily influenced by them, probably because he is aware that he has such a top position is due to him being friendly with upper management. Top management appear to view M7 as a 'push-over' and as a result they all quite like him because he will do as they say. The following quote illustrates how M7 could be seen as submissive and trying to stay on the 'good side' of management.

> *"The Finance Department makes a very valuable contribution to the group. The reputation and image of the group is 60-70% related to this department so if it doesn't work well, then it is reflected to the whole group head office. I think they make quite some impact on improving our reputation". (M7, interview quote, 2003)*

M7 is a good example of how one does not need to be in the dominant position within a relationship to be in an advantageous position. Although M7 has relatively low power, he does not mind being submissive as he is happy with his position. If he was more aggressive or demonstrated more power, he probably

would not do nearly as well in the Company as there are already so many dominant individuals in upper management.

6.6 SUMMARY OF CASE STUDY DATA I & II

The case study chapters five and six show a combined contribution of all the individuals concerned, from the triangulation approach (Gillham, 2000) of both the interviews and observation. The individuals were divided into two broad categories of workers and managers, and then split further between being either within the Finance Department or outside of the Finance Department. Their rankings were derived according to their informal power structure as decided by the researcher from analysis of the interview results and the observation. These rankings in no way take into consideration the workers official position within the hierarchy according to job description and seniority.

To allow readers to understand the workflows, formal and informal workflows and work processes, a hierarchy diagram (Figure 3) has been created to show both the official structure according to job descriptions and the formal and informal workflows. Figure 3 is a similar diagram as Figure 2 (shown in section 5.1.3) but different in that Figure 3 shows workflows, including cross departmental flows. As workflow does not always result from a 'manager and subordinate' type relationship, it is important to consider those workflows that do not fit the typical mould. A good example of workflow that exists without all parties reporting to each other is the workflow between W13 in the Mail Division that goes to W5 in the Finance Division, which then goes to either M8, M6, W7 or W2 depending on the information and may also be reviewed by M5, before going to M2 then ultimately to M1.

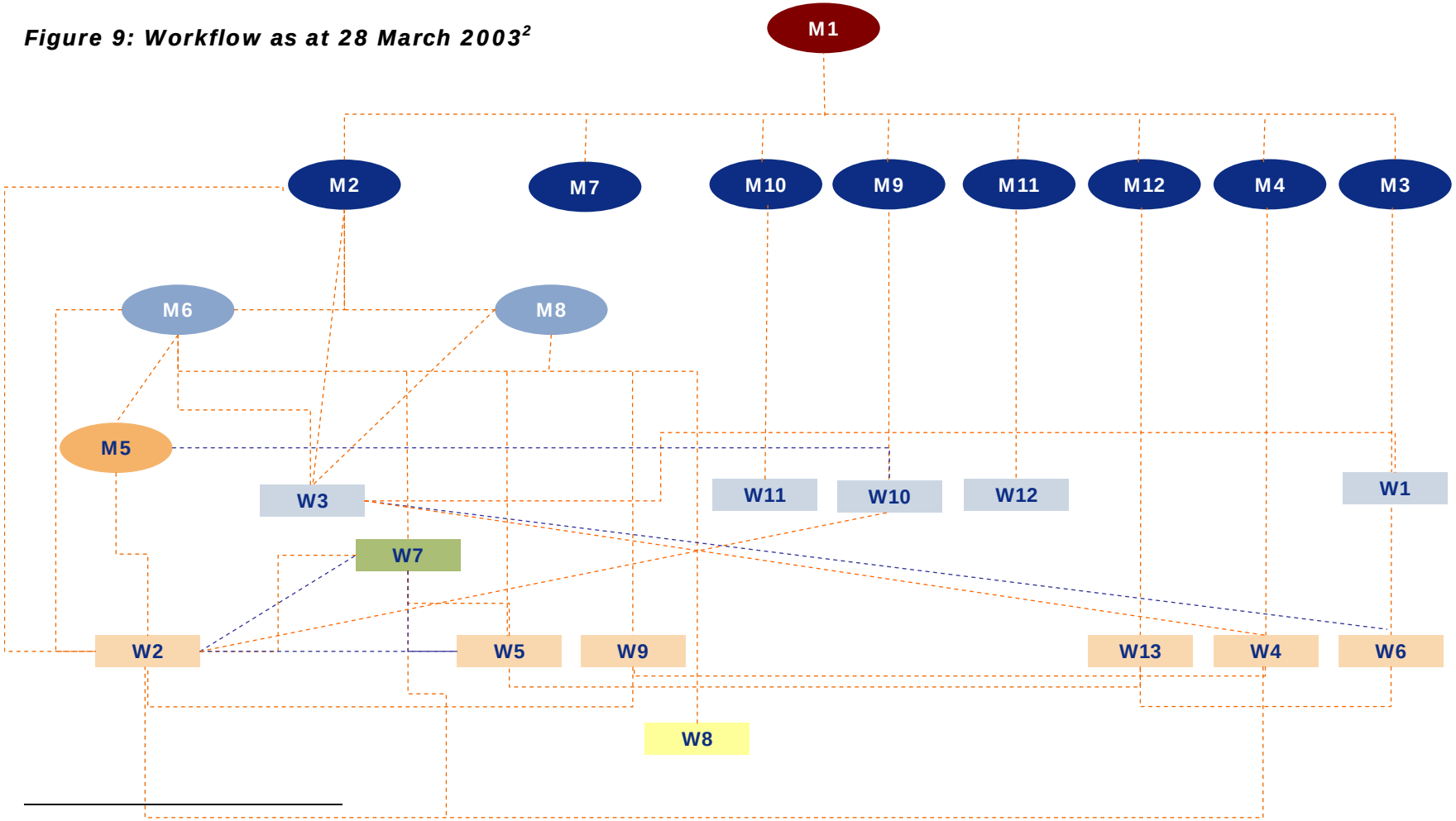
This enables evaluation of the work flow and the relationships which impact upon and potentially disrupt the workflows between these particular individuals. The higher the individual is shown on the chart, the more senior they are in terms of official job description. The lines linking the workers to the managers show their official reporting lines. The dotted lines are unofficial reporting lines, but hierarchy all the same.

All of the managers and workers who are shown at the same height, hold the same type of position. For example, M2, M7, M10, M9, M11, M12, M4 and M3 are all Directors. To assist in seeing the different levels of seniority, the individuals

have been given differing colours according to their official levels. However, as individuals have been allocated unofficial power rankings, which are not necessarily in line with their seniority, these rankings are also shown. The labelling of each individual, for example M1, or W3, shows their unofficial power rating at the time of interviews. From this, it can be seen that although M5 does not have a very senior position in the hierarchy, he is more powerful than many of the managers who are several levels above him.

The evaluation of a diagram such as Figure 3 allows the researcher to draw conclusions as to the power relationships that existed between individuals and how they impacted upon the workflows. From a Foucauldian perspective, this assists in analysing the outcomes of these power relationships in terms of resistance. These conclusions are discussed in detail within chapter seven following.

Figure 9: Workflow as at 28 March 2003[2]



[2] Please note that the orange dashed line represents the direct workflow and the blue dashed line represents the indirect workflow

Source: created from interview and observation notes taken by the researcher during the course of the case study

7 CASE STUDY ANALYSIS AND CONCLUSIONS

7.1 INTRODUCTION

The objective of this thesis is to evaluate and critically analyse, from a Foucauldian perspective, the power relationships which exist within the hierarchies between management and workers who work either for the Finance Department or closely with it, and to analyse the outcomes of these power relationships. The resulting case study, which is discussed in chapter five and six, is a Foucauldian insight into the different relevant characters with an evaluation of their roles and how their differing power structures impact upon the workflow within the Finance Department.

As discussed in chapter three, the research questions and consequential findings, addressed through case study on the Company's Finance Department, will not be universally applicable to other departments or organisations as they are specific to the individuals within that particular Department of that particular Company.

The significant outcome of the case study is an understanding of power, hierarchies and resistance of both the workers and the managers involved from a Foucauldian perspective. It was anticipated that power strategies employed had a significant impact on the workflows of these individuals, and through the case study, this has been shown to happen. It was also anticipated that the power strategies have created resistance within some individuals, which through the case study has been shown to apply as well.

The research questions, specified in section 2.4.1 and again in section 7.1.1, detailed the specifics of what needed to be investigated so as to produce relevant results. They directed the researcher to establishing an understanding of the power struggles and flows between the individuals involved from a Foucauldian perspective.

This chapter analyses the outcomes of the case study findings and concludes on the trends which have been highlighted by this research.

7.1.1 RESEARCH QUESTIONS

The research questions from a Foucauldian perspective were as follows:

Question 1: Do power relationships follow hierarchies?

Question 2: How do power relationships impact individuals, hierarchies and workflows?

Question 3: What impacts upon and influences power relationships, and how can this create forms of resistance?

How these research questions linked to the Foucauldian perspective, the interpretative methodology and the case study method used to analyse the data collected, is discussed in section 7.1.2 and 7.2 following. Investigation into these three research questions also highlighted answers to the sub-questions within the broader questions.

The sub-questions were: what are the power rankings for individuals within the Department, and have these individuals helped or hindered the workflow process? Another sub-question was how had certain individuals, managers and workers, behaved and why had they behaved in this way? Can understanding their behaviour, help conclude how that behaviour might have been controlled or changed? Has this behaviour differed when comparing past, present and predicted future behaviour? All of these questions were addressed within the case study on an individual basis, which is now summarised, along with the answers to the three main research questions, to create the conclusions within this chapter.

7.1.2 DATA ANALYSIS

The data was analysed under the interpretative methodology, using what might be considered by some to be an 'alternative' approach which does not seek to verify what the respondents say through external checking of statements or assertions made by participants (Silverman, 2000). The researcher felt the interpretative methodology was appropriate whilst using the case study method to understand actors 'life-worlds' (Chua, 1986).

Within the triangulation (Gillham, 2000) approach of using both interviews and observations under the case study method, the 'pattern-matching' analysis (Yin, 1994) used strengthened the internal validity of the case study.

The data from the interviews was transcribed by the researcher, as discussed in section 4.2.2.4, and from the transcripts, the researcher set to understand that persons power relationships and workflows within the Company, from their own perspective as well as her observations. This helped address the research questions which are shown in section 7.1.1 prior.

7.2 SIGNIFICANCE AND CONTRIBUTION OF THE RESEARCH

As highlighted in the literature review within chapter two, understanding how power is exercised in relationships is very important when considering why individuals act and react in different ways. The actions and reactions all influence hierarchies, workflow and resistance, which forms the basis of this thesis. The use of an interpretative methodology, with a case study method using a triangulation of observation and interview methods (Silverman, 2000) was applicable to a study of power from a Foucauldian perspective.

The overall outcome of this research is an evaluation of those individuals and their relationships at a particular point in time, which is impacted of course by many different factors. Whilst the case study was from a Foucauldian perspective and it was acknowledged that the context is very specific, the conclusions that have arisen from the findings are likely to be applicable to other finance departments, if viewed from a Foucauldian perspective. The following findings are conclusions that have arisen from analysing the data from the case study. These findings address the research questions from a Foucauldian perspective, which were first discussed in chapter two, section 2.4.1. The findings have been placed under the research question that the researcher feels relates most to the particular finding.

7.3 DO POWER RELATIONSHIPS FOLLOW HIERARCHIES?

When considering whether power relationships follow hierarchies, it was important for the researcher to compare the official hierarchies that existed in terms of reporting structures and job titles, and then to compare it to the unofficial power ranking that she had given those individuals, according to what power they exercised and displayed from the triangulation of interview and observation methods (Gillham, 2000).

7.3.1 POWER DOES NOT NECESSARILY FOLLOW HIERARCHY

> *"In reality, power in its exercise goes much further, passes through much finer channels, and much more ambiguous, since each individual has at his disposal a certain power, and for that very reason can also act as the vehicle for transmitting a wider power". (Foucault, 1980, p72)*

The case study found that seniority had little correlation with power rankings. Although there were cases where a more senior individual was ranked highly for power, like M1 who was the CEO, there were also examples where individuals who were junior had high power rankings and vice versa. Examples of individuals who had low level positions yet strong power ratings were W2, W5 and M5. Examples of individuals who had high level positions yet low power ratings were M8, M9, M10, M11 and M12. The following quote from the case study shows how a worker exerts power over manager by not answering his questions, even if they are valid, which illustrates how power does not necessarily follow hierarchy.

> *"I have a lack of respect for M8. He is like an irritant – he has got to the point were he doesn't have the respect of us so even if his questions are valid we don't want to answer them anyway. He is over-eager and tries to do everything". (W1, interview quote, 2003)*

The importance of this finding is that it refutes the idea that seniority in a hierarchy equates to power ratings. The case study showed that it cannot be assumed that the more junior workers do not have as much power as some of the more senior managers. This highlights the value of evaluating individuals in terms of their power relationships and power knowledge to understand whereabouts they rank in accordance with others who are impacted by them. This follows Foucault's (1980) belief that a role does not equate to power, as illustrated in the above quote.

A greater understanding of how individuals are ranked according to power, allows decision or change-makers to know how to manage individuals differently. This enables the decisions or change-makers to more accurately assess how to manage the resistance, on an individual basis, which can arise as a result of power struggles.

7.4 HOW DO POWER RELATIONSHIPS IMPACT INDIVIDUALS, HIERARCHIES AND WORKFLOWS?

How the power relationships impacted individuals, hierarchies and workflows came through both the interview and observation methods in the case study. These impacts could be grouped under several themes, which are discussed in the following sections.

7.4.1 CHANGE IS A MASK FOR POWER EXERTION

> *"What is needed is a study of power in its external visage, at the point where it is in direct and immediate relationship with that which we can provisionally call its object, its target, its field of application, there – that is to say – where it installs itself and produces its real effects". (Foucault, 1980, p97)*

The Company has undergone multiple changes in the hierarchy within the Finance Department over several years. The changes in the hierarchy were made with management expressing that there was a need to reengineer the Finance Department to increase efficiency. The case study has highlighted that the underlying and somewhat unspoken reason that changes to the hierarchy were made from a Foucauldian perspective, was so that power could be exerted by particular individuals. Change is acting as a mask for exertion of power, as per Foucault's (1980) beliefs.

The following quote from M7 illustrates how change is a mask for power exertion. M7 admits that some of the changes have come about as a result of individual personalities.

> *"The changes have also allowed us to meet most of our external users needs and to be more comfortable and have a better understanding of our external numbers. Directly and indirectly has come about because of the changes due to the restructuring of our department – indirectly come about because of individual personalities and what they focus on. Some of the changes may be externally driven that we may have done anyway regardless of restructuring - it is difficult to make the separation". (M7, interview quote, 2003)*

When a management structure changes within an organisation or a new manager joins, it is an often repeated phenomenon that they like to make changes to assert their power and show that they want to make a difference. These changes are often thinly masked under claims of increased efficiency or improvements to systems. However in reality, these are exhibitions of the power flow around the

change makers. Another illustration within the case study of how one of the managers believed that the change was a mask for power exertion, is shown in the following quote from M11.

> *"The Finance Department has been built around people and not functions, which I don't think is right. It then changes with the personnel and it is not transparent what your structure is". (M11, interview quote, 2003)*

It is important for corporates to gain an understanding of why people within their organisation undermine changes from the top, why changes may be resisted, and the reasons as to why changes have been made in the first place. An understanding of these things mean that the reactions and interactions between individuals can be explained and consequently better dealt with, in an attempt to continue to produce the required outputs. An understanding of the power relationships between people from a Foucauldian perspective will help explain why 'gaps' in expected outcomes or performance occur. As illustrated within this chapter, there are different reasons why these 'gaps' may arise. The 'human' side of things has a huge impact as discussed in section 7.4.2, workflow is impacted by power relationships as discussed in section 7.4.3, delegation of work can either increase or decrease power flows as discussed in section 7.4.4, resistance is a form of power exertion as discussed in section 7.5.1, and power can be exercised to over-ride ethical obligations as discussed in section 7.5.3. These 'gaps' were described in the interview process by individuals as differences between what they had expected the results of the change process to be, and what had actually happened in terms of workflow and power struggles, as a result of any of the abovementioned reasons. The Foucauldian analysis of the case study allowed the researcher to see that the gaps had arisen as a direct result of power relationships. These power relationships had varying effects on different individuals, dependent on many of these themes discussed within this chapter.

7.4.2 THE 'HUMAN' SIDE OF THINGS HAS A HUGE IMPACT

> *"This new mechanism of power is more dependent upon bodies and what they do, than upon the earth and its products". (Foucault, 1980, p104)*

Finance departments are often seen as very abstract and rational collections of people. They deal with cold, hard facts and the main role of a finance department is to process financial information and to understand and be able to explain the numbers. This is considered a very 'black and white' process, with there always being a reason behind the trends in numbers. Often the only reason numbers

might be unexplainable, is if the individual doing the analysis does not have adequate understanding of the business.

With little shades of 'grey' in a typical finance department, it could be easily assumed that the more 'human' side of things, the more unpredictable, easily influenced and less rational side, does not have a huge influence on these types of departments. In reality however, nothing could be further from the truth. This case study highlights how much of an impact the 'human' side of things can have on a finance department. The 'human' impact within the case study affected what goals were set, whether they were achieved, and the unity or lack of that existed within the Finance Department. If individuals did not embrace changes, they could be seen to resist them. This was illustrated in that M8 was brought into the Finance Department to fill the role of Planning Manager as an instrumental part of the change process. As individuals on the whole generally did not like him personally or like his management style, M8 lacked power and as a direct result could not operate effectively as a manager. Workers, like W7, would not do the work for M8 as quickly as required. W7 was an example of an individual who did not embrace the change of M8's role due to her dislike of his personality and therefore she exercised power over him by failing to prioritise his work as he had requested of her. The following interview quote from W10 (2003) illustrates how the 'human' side of things can have a huge impact on both workflow and power relations.

> *"M8's role is unclear. Last time he came asking for drafts at a very inconvenient time and I was not even sure when I could give it to him and I sort of felt, 'well what's it to you?'. There had not been much communication as M9 had given a version to M6 and M8 then came to me and said 'M6 has something, can I have the same thing as well'. This is not working". (W10, interview quote, 2003)*

Perception of others, and the way in which an individual wishes to be perceived, are 'human' factors which can have considerable impact. The way in which individuals act within a particular environment, speaks volumes about how they wish to be perceived by others. W2 is a good example of this, being temperamental and blaspheming frequently in the office, deliberating creating a toxic environment and asserting his power by unconsciously saying he does not care and does not wish to conform. This 'human' side of W2 impacts the whole Finance Department, making it difficult and uncomfortable for others which impacts upon their effectiveness at work.

W5 is also an example of how the 'human' side of things can impact upon the environment. W5 loves to ridicule newcomers to the Finance Department as it gives him a feeling of superiority and also allows him to exercise his knowledge power. He seems to need to exercise his power by depleting others of esteem and power to decrease his own feelings of lack of self-worth due to his lack of education.

The 'human' side of both of these individuals had a negative impact at times on the productivity of others within the Finance Department as discussed above and within chapters five & six, partially impairing workflow. This illustrates the assertion that power is an exercise of relationships, which was highlighted in the literature review in chapter two. The reasons as to why changes happen and how the more unpredictable side of humans impact upon the changes all exist as a result of power exertion from a Foucauldian perspective, as discussed in section 7.4.3 following.

7.4.3 WORKFLOW IS IMPACTED BY POWER RELATIONSHIPS

> *"Once knowledge can be analysed in terms of region, domain, implantation, displacement, transposition, one is able to capture the process by which knowledge functions as a form of power and disseminates the effects of power". (Foucault, 1980, p69)*

Individual power and knowledge supersedes and disrupts the functioning of departments. Although an individual may not officially report to another, it does not mean that their workflow cannot be impacted and influenced by that person.

A workflow disruption can occur from the bottom of the ladder and impact everyone on the way up. A good example is the subordinates of W13 being late with getting their information to W13. W13 is then late with his submission of work to W5, who is then late in submitting work to W2 and W7. W2 and W7 might be late with giving their analysis to M5, who is then late giving it to M6 and M8. This is where the disruption frequently ends as M6, usually assisted by M5, will work all hours of the day and night to meet their deadline with M2, and ultimately M1. Although the disruption ends here in terms of meeting the ultimate end deadline, the disruption has impacted upon the workload of all of these individuals hugely.

Another example of how workflow is impacted by power relationships is illustrated by W3, with the resentment that he felt towards M8, which in turn impacted upon how he dealt with his workload when M8 was involved.

> *"From the point I started to do the goodwill impairment tests, neither M8 or M6 were interested but finally M8 started being involved and interested in the final outcome. Up to that point I was reporting this stuff to the auditors and M8 started to get all excited about it and saying we must do something about it right away. At this point he started to really influence my work and I was feeling that I don't directly report to M8 – I report to M6 – I was feeling that M6 was not involved in my work because he was trying to do both his job and M8's. I was frustrated by M8 pushing for things and I did not feel responsibility towards him". (W3, interview quote, 2003).*

Power relationships can impact on workflow allocation, which in turn causes resentfulness. This resentfulness can impact on productivity. People do not want to take on work, or may not complete the work in a timely manner if they feel resentful. A good example is the requests that M8 makes. As he is widely disliked, members of the Finance Department tend to punish him by not completing his requests in time. This can be executed in ways like the workers applying their own priority ranking system (for example W7) and placing selected work that was allocated by M8 at the bottom of the pile.

These power relationships can have the ultimate sway upon whether or not a department or even a company, can meet expectations or operate efficiently. Another element of power relationships is delegation of work, which is discussed in the following section.

7.4.4 DELEGATION OF WORK CAN INCREASE OR DECREASE POWER FLOWS

> *"The individual, that is, is not the vis-à-vis of power; it is, I believe, one of its prime effects. The individual is an effect of power, and at the same time, or precisely to the extent to which it is that effect, it is the element of its articulation. The individual which power has constituted is at the same time its vehicle". (Foucault, 1980, p98)*

Delegation of work can either increase or decrease an individual's power flow. If a person perceives that they will not gain power by taking on extra work, then they are unlikely to be compelled to do so. This does not have to result in an outright rejection of the extra work, but can take subtle forms such as being slower to complete tasks or delegating the extra work on to other staff members. Typically,

people will not take on work if they do not want to and the rejection is either subtle or overt. W1 is an example of an individual who is overt in his rejection of some work, whilst W7 is someone who subtly rejects the work by reducing her capacity through not doing work in her spare time. Power relationships impact work allocation and power relationships can also generate resentfulness which impacts on productivity. Productivity, as a result, is usually impacted negatively in that work will not get done, or it will get done by someone who is less than ideal. The interview quote from W1 in section 7.3.1 showed how delegation of work can both increase and decrease workflow if the person who is exerting the power does not want to do the work and is unafraid to refuse to do so. In this way, W1 decreased his workflow by refusing to take on board work allocated by M8, which in turn increases the workflow of M8.

For some individuals, such as W11, their perception of the delegation of work increases the power flows, despite their opinion not being one that is not commonly held by others within their department. W11 believes that with M8 delegating the work, more has been achieved within the Finance Department, and therefore the power flows have increased. This is illustrated in the following quote from W11's interview (2003).

> *"Since M8 has come in, there has been a clear improvement in internal reporting. M6 and M3 did not have enough time to focus on things like the monthly pack or working capital detail or cash flow detail. These are things that are analysed a lot more which is important and really good". (W11, interview quote, 2003)*

Delegation can increase power in that it allows the individual to better manage their workflow and decreases the risk of them doing an inadequate job and consequently losing relationship power with others. Another positive that arises from delegation is that it is then possible for a greater volume of work to be done by being like a gatekeeper. This involves retaining what the individual would perceive to be important work but delegating out the less important work and therefore getting through a greater volume than what could be achieved alone. W2 is a good example of an individual who uses this technique to exert power and generate relationship power. Whether or not W2 takes credit for other work has little effect on the power as often upper management do not care who performs the work, just that it gets done in a timely and accurate manner.

On the other hand, an individual might not delegate work as it can be a way of retaining knowledge power and retaining control over their workload. Other

reasons work might not be delegated is so that the individual does not have to risk failure of not being able to meet the objective. If an objective is not met, then the individual runs the risk of rejection through failure. W7 was an example of an individual who refused to take responsibility for something that had a huge impact on her job, the development of the templates, due to a strong desire to evade blame for any possible errors or omissions and therefore avoid rejection.

Other reasons an individual may not delegate is if they have a highly specialised job where others are not capable or are untrained to perform that kind of work, therefore leaving them with no-one to delegate work to. W3 is an example of this. Another reason may be that although others could perform the same tasks as the person who wishes to delegate work, there is no-one available to delegate to. This may demoralise the individuals wanting to delegate as they may feel that their need to delegate is not viewed as important to management, otherwise management would have ensured that someone was available for work to be delegated to. The demoralised feelings experienced by individuals may impact negatively on not only their esteem but also their productivity.

7.4.5 BEING SUBMISSIVE IS NOT NECESSARILY NEGATIVE

> *"…I do not believe that one should conclude from that that power is the best distributed thing in the world". (Foucault, 1980, p99)*

The word 'submissive' carries with it somewhat negative connotations of a person being subservient, pliable, meek, deferential and obedient. All of these terms imply that a person sacrifices something of themselves as a result of being submissive. This generates the implication of a 'gain and loss' scenario, where a more dominant person gains something from the submissive person. However, as this case study found through analysis of the different individuals, being submissive is not necessarily always a bad thing.

Some people have low self esteem and/or are painfully shy and therefore do not want to be heard or put their necks out on the line to risk rejection. Being submissive therefore suits these individuals as they then reduce the risk of rejection. If someone else is responsible for the work and it does not go according to plan, then that person is blamed for the error or mistake rather than the submissive person. Consequently, the submissive person avoids the risk of rejection.

Submissive people are not always unheard. Although not taking risks often means that they will not be able to gain power, clever submissive people may still be able to get their thoughts or opinions heard if they use a strategy such as a 'carrier' whilst avoiding the rejection associated with taking risks. Submissive people can use their relationship power to convey their thoughts or opinions to certain dominant people, so that these people can act as 'carriers' of the submissive person's message. Foucault (1980) believed that power was not the best distributed thing in the world, but did not necessarily see this as a negative.

A good example of an individual, for whom being submissive is not necessarily a bad thing, is W13. As a very submissive individual, W13 suffers from power failure but some of the pressure that arises as a result of this power failure, is absorbed by W5. W5 makes excuses for W13 and protects him from M6 and M8 on a regular basis. The result of this protection is that W13's already fragile confidence does not get eroded further from the criticism arising from his power failures. The preservation of W13's small amount of existing confidence has a double-barrelled impact. Whilst W13 is protected, he remains ignorant to how badly he is letting everyone else involved down and will not try to improve. However, if W13 was to be told the complete truth, he may suffer from a confidence crisis so massive that he totally fails to produce at all. The end result of W5 continuing to protect W13, is probably the best outcome for W13 from his perspective, although it is doubtful that it is the best outcome for others.

Another good illustration of how being submissive is not necessarily a negative, is M11. M11 is happy in his role of being submissive because he consequently feels 'liked' as a result and derives some small sense of relationship power from this.

> *"In the past the directors of the Finance Department, Legal, Treasury and Fiscal were not friends and if one had a success, the others all felt it was at their expense. It is not like that at all now – they don't hide things from each other or try to stab each other in the back all the time". (M11, interview quote, 2003)*

This quote leads on to the fact that people can be both dominant and submissive, as discussed in the following section 7.4.6.

7.4.6 PEOPLE CAN BE BOTH DOMINANT AND SUBMISSIVE

> *"…power, if we do not take too distant a view of it, is not that which makes the difference between those who exclusively possess and retain it, and those who do not have it and submit to it. Power must be analysed as something which circulates…". (Foucault, 1980, p98)*

It is possible for most people to have elements of both dominance and submissiveness in their personalities depending on the relationships they have with other individuals. An individual may have a dominant relationship with most others who are at a similar ranking in terms of hierarchy, but could be quite submissive with their manager. A good example of this is W2 who is very dominant with the majority of the other workers, despite being low in the hierarchy, but can be quite submissive with M8 and M6.

Another good example of how people can be both dominant and submissive is W6 who is mostly submissive, but can come out with some quite aggressive and consequently dominant comments like the one below.

> *"It is a shitty job, but someone has to do it. The Finance Department is essential – but can't win. The Finance Department is always perceived as being demanding and ignorant of the business. The Finance Department is of value, I don't know how great that value is though". (W6, interview quote, 2003)*

This emphasises the earlier conclusion that relationships generate power and that the power that an individual generates, cannot be assessed without understanding the relationships they have with others around them. It also highlights that workflow can be impacted as a result of these power relationships, which is discussed in section 7.4.3.

7.5 WHAT IMPACTS UPON AND INFLUENCES POWER RELATIONSHIPS, AND HOW CAN THIS CREATE FORMS OF RESISTANCE?

Many of the themes that are discussed under section 7.4 discuss what impacts upon and influences power relationships and therefore could be considered to also address this third research question. As an example, section 7.5.1 which discusses how delegation of work can increase or decrease power flows is something that impacts upon and influences power relationships by increasing or decreasing the power flows.

7.5.1 RESISTANCE IS A FORM OF POWER EXERTION

> *"Resistances do not derive from a few heterogeneous principles; but neither are they a lure or a promise that is of necessity betrayed. They are*

> *the odd term in relations of power; they are inscribed in the latter as an irreducible opposite. Hence they too are distributed in irregular fashion: the points, knots, or focuses of resistance are spread over time and space at varying densities, at times mobilising groups or individuals in a definitive way, inflaming certain points of the body, certain moments in life, certain types of behaviour". (Foucault, 1978, p96)*

Resistance can take many forms and is often a way for the individual to exert power, as described by Foucault (1980). A good example of this is W2. His blaspheming, having less than conventional dress, being remiss about his personal hygiene, and inappropriate comments are all ways of W2 denouncing his desire to conform and shows his resistance to others. Discontent can be shown in various ways as a form of resistance. As illustrated in the following interview quote by M3, people can show resistance by grumbling all the way through to the other end of the spectrum of showing resistance by resigning from their job.

> *"There was a lot of discontent at the time. It was a bit of a culture shock for W5, two of the subordinates who have since left and W7. Arguably they never really understood the big picture of where it was going, maybe we didn't communicate this well enough to them. There were quite big pockets of resistance. We got it done without losing anyone in an aggressive way but it was not easy to get the buy-in and understanding". (M3, interview quote, 2003)*

Other ways of resisting others and exerting power is for individuals to allow a backlog of work to occur and not be concerned with depleting it. An example of this is how W5 does not work late into his own time to complete tasks assigned to him, despite the fact that often others in the Finance Department are working considerable amounts of overtime. He creates a backlog by not completing his work hence holding up others. Another example of this is W7, who uses her power as a form of rejection, by putting work to bottom of pile. W1 also illustrated how resistance is a form of power exertion by expressing his distaste for how M8 was acting, and would consequently try to make M8 look incompetent whenever he could.

> *"Divisional Head Office's will be told to do things rather than having a co-operative relationship. We are treated like school kids by the Chief Financial Officer and the directors – having to explain everything. It is a bit humiliating, especially for someone like M3 being quizzed by the likes of M8. There is a lack of understanding from M8 and the Chief Financial Officer of the Company. We need to make changes". (W1, interview quote, 2003)*

Another example within the case study of how resistance can take many forms and is a form of power exertion was explained by M1 in relation to how he

perceived the Divisions sometimes treated individuals within the Finance Department. The exertion of power is illustrated in the following quote.

> *"Within the Finance Department the effects of this are currently less job satisfaction, more uncertainty, more remote from the business, decrease in understanding of the business and this means their questions are probably treated with less relevance by the Divisions. 'Just go away with your stupid question' – that kind of behaviour. That is never a nice environment". (M1, interview quotes, 2003)*

7.5.2 INTERPERSONAL POWER IS IMPORTANT

> *"The individual, with his identity and characteristics, is the product of a relation of power exercised over bodies, multiplicities, movements, desires, forces". (Foucault, 1980, p74)*

The umbrella term 'interpersonal power' can be used over both genders regardless of sexual preferences and as explained in section 2.2.1.6.2, encapsulates more than just sexual power. Interpersonal power is very potent and hard to resist. It is also usually very obvious almost immediately as to whether an individual has the ability to exert this type of power or not.

Appearance has an impact on interpersonal power but is by no means essential. Demeanour and personality alone can generate sexual attractiveness.

Power dressing is an important signal that an individual wishes to conform and show that they are serious about their job. A good example of this is how W3 dresses in very smart suits to exert his desire to be seen as professional. Power dressing shows a deliberate attempt to accumulate power.

Power dressing does not work to the same degree on very overweight and unattractive people as some of the impact from power dressing is lost as a result of this. An example of this in the case study is W9 whose physical build provides a tangible barrier to the flow of power to him. As highlighted in the literature review, the way in which individuals are perceived can be influenced by their overall attractiveness. This in turn can lead to people being more liked, being given more interesting work, and generally getting to higher positions and receiving better remuneration than their less attractive counterparts. W9's physical build seemed to be an issue with individuals who did not allow power to flow to him, seemingly because of his physical build in part.

7.5.3 POWER CAN BE EXERCISED TO OVER-RIDE ETHICAL OBLIGATIONS

> *"Power makes men mad, and those how govern are blind; only those who keep their distance from power, who are in no way implicated in tyranny, shut up in their Cartesian poele, their room, their mediations, only they can discover the truth". (Foucault, 1980, p 51)*

The case study showed that power can be exercised to over-ride ethical obligations. A good illustration of this is when M6, who was frequently ordered around by M1 and M2, conceded to their power with regards to agreeing to perform an unethical change in a reporting requirement.

M6 was told by M1 to make a change to the way forecasted revenues were calculated for the Budget within the half-year Supervisory Board Report, without disclosing the change. This would have meant that the Supervisory Board would not be aware that the figures were calculated in a different way from usual, giving a more favourable result. Despite two workers and another manager complaining to M6 about this action being illegal and against the code of ethics for the Institute of Chartered Accountants for both Scotland and New Zealand, M6 told them that it was on M1's orders and if they did not do it, then M1 would just find someone else who would.

The power that M1 had over M6 was so great that M6 as a result compromised not only his own ethics but those of his staff by ordering them to undertake the deception. This action decreased M6's power as he was then seen as someone who cannot stand up for what is right or what he believes in because he is so eager to gain approval from his superiors. This also illustrates Foucault's belief that power is everything and can make individuals act. It was also a good example of how power effects distort objective financial reporting.

The impact of power being exercised to over-ride ethical implications can be enormous, as illustrated in the following interview quote from M10.

> *"This company is not another 'Ahold' waiting to happen, but if anything goes wrong in the Finance Department, then the whole reputation of the Company is at risk, especially with how sensitive everyone is to accounting information at the moment". (M10, interview quote, 2003)*

7.6 SUMMARY

> *"Mechanisms of power in general have never been much studied by history". (Foucault, 1980, p51)*

All of these conclusions, which have been drawn from analysis of the triangulation of two methods (Gillham, 2000), being semi-structured interviews and observation, which produced the overall case study findings as discussed in chapters 5 and 6, illustrate the strategies of power employed from a Foucauldian perspective. Individuals tend to play to their strengths but the conclusions also highlight that relationships can have a huge impact on how power can flow and ebb depending on the relationship between the individuals concerned.

One clear conclusion that arose from chapter two, and was confirmed by the case study in chapters five and six, is that individuals who combine both relationship power and power knowledge, are typically in a better position than others who are lacking in either one of these two elements. This is not disregarding the fact that being submissive is not necessarily a bad thing, as discussed in this chapter, as individuals may employ tactics which allow them to still exert power, albeit typically in a subtle fashion.

The case study findings show clearly that from a Foucauldian perspective, power does not necessarily follow hierarchy and this was highlighted throughout both the interviews and observation, as illustrated by the following quote from M8.

> *"We need to build a more rigid finance line from the top down – there is no formal hierarchy. There is no power from the top to the bottom or the other way around". (M8, interview quote, 2003)*

To understand power rankings of individuals, relationships must be evaluated on a case-by-case basis, as without this, there is no clear indicator of whether or not an individual can generate or exercise power. This is important for not only the Company studied, but all companies in general, to consider as this will have a impact on understanding why resistance has arisen and how it might be addressed more effectively.

> *"In fact, there is nothing more material, physical, corporal, than the exercise of power". (Foucault, 1980, p57)*

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APPENDIX 1: RECENT HISTORY IN BRIEF.

- In the early 1900's, general descriptive theories became more complex as accounting researchers observed the practice of accounting more closely. Lists of hypotheses were confirmed, classified and published by several authors, and these sets of confirmed hypotheses each comprised a general descriptive theory of accounting.

- By 1940, the effort to produce a general descriptive theory of accounting was virtually exhausted.

- Between 1940 and 1955, little that enhanced an understanding in accounting was produced. The existing theories were reworked and reorganised.

- The general prescriptive theory period began about 1955/56 and lasts until around 1970.

- The specific descriptive period is post 1970.

This is adapted from Henderson, Peirson & Brown (1992), as well as Matthews & Perera (1996).

APPENDIX 2: HEMPLE'S (1965) HYPOTHETICO-DEDUCTIVE ACCOUNT

Of what constitutes a scientific explanation:

Premise 1 (Universal Law): A competitive environment always leads to the use of more than one type of management accounting control.

Premise 2 (Prior Condition): Company A faces a competitive environment, therefore . . .

Conclusion (Explanandum): Company A uses more than one type of management accounting control.

(Sourced from Chua, 1986, p608).

APPENDIX 3: INTERPRETATIVE APPROACH

Belief that everything may be objectified.

The interpretative approach believes that it is possible for people to objectify other human behaviour that they observe. A simplified example of this is if a person within a group of people starts flapping their arms like wings. Other people who are standing around see this behaviour and copy it. If any of the people within the group don't flap their arms like birds, then there is 'conflict' and the other people in the group will not communicate with that person.

APPENDIX 4: CRITICAL APPROACH

Analysis in context

The critical approach believes that it is very important to analyse theories in context. An example of this is if the theory existed that a person was a serial rapist. The critical researcher would analyse the rapist in relation to their context, which would include their family background, past history, upbringing etc. This could lead to the fact that a person is a rapist, because in their past, they themselves was raped. Without looking at the context of this person, a true understanding of their behaviour would never be obtained.

APPENDIX 5: INTERVIEW QUESTIONS

WORKERS INTERVIEWS

The actual interview scripts are as follows. The responses were in context of how the changes have impacted the individual worker and their job from the point that they either started working for or with the Finance Department.

1. *What have the changes or trends within the Finance Department been so far, what do you believe were the driver(s) of the changes and reason(s) for the changes?*

2. *How do you believe the changes have been implemented in the past within the Finance Department and how responsible was management for them?*

3. *Have you felt informed/included/excluded from the change process in the past within the Finance Department?*

4. *What do you believe were the challenges and risks of implementing these changes within the Finance Department in the past?*

5. *How far reaching have the changes within the Finance Department been to date? (who do these changes affect and how)*

6. *How have these changes affected you to date?*

7. *How would you describe the changes? I.e. positive, negative, a mixture of both? And why?*

8. *How do you think these changes will affect you in the future?*

9. *How do you perceive the Finance Department's worth, both to you and to others?*

10. *What is your level of satisfaction with the current Finance Department? For example with the new structure within the Department? (i.e. are things being done more efficiently or not?)*

11. *Is there any additional information or services that you feel the Finance Department could provide others with or any improvements that you feel could be made to increase the efficiency and usefulness of the Finance Department?*

MANAGERS INTERVIEWS

The interview questions are as follows. The responses were in context of how the changes have impacted the individual manager and their job from the point that they either started working for or with the Finance Department.

1. *What have the changes or trends within the Finance Department been so far, what were the objectives of the changes and what where the reasons for them? What was to be achieved by the changes?*

2. *How have the changes been implemented in the past within the Finance Department and how responsible was management for them?*

3. *What do you believe were the challenges and risks of implementing these changes within the Finance Department in the past?*

4. *How far reaching have the changes within the Finance Department been to date? (who do these changes affect and how)*

5. *Have you felt informed/included/excluded from the change process in the past within the Finance Department?*

6. *How have these changes affected you to date?*

7. *How would you describe the changes? I.e. positive, negative, a mixture of both? And why?*

8. *How do you think these changes will affect you in the future?*

9. *How do you perceive the Finance Department's worth, both to you and to others?*

10. *What is your level of satisfaction with the current Finance Department? For example with the new structure within the department? (i.e. are things being done more efficiently or not?)*

11. *Is there any additional information or services that you feel the Finance Department could provide others with or any improvements that you feel could be made to increase the efficiency and usefulness of the Finance Department?*

APPENDIX 6: CORPORATE HEAD OFFICE'S VISION

Corporate Head Office aims to deliver to it's stakeholders

We:

- Understand and fulfil their requirements
- Support and, where appropriate, challenge them
- Commit to reliability and timeliness

Corporate Head Office is driven by value

We:

- Ensure that quality drives our business decisions
- Are efficient and look efficient
- Aim to be the best in class

Corporate Head Office strives to be an inspiring place to work

We:

- Encourage an open, informal, caring and international culture
- Place high value on feedback
- Reward excellence

(As sourced from the Company's 2000 Action Agenda).