The interplay between ideological control and formal management control systems: A case study of a non-governmental organisation

Kalle Kraus*, Cecilia Kennergren, Amelie von Unge

Stockholm School of Economics, Box 6501, 11383 Stockholm, Sweden

1. Introduction

In this study we explore organisational ideology as an important dimension of management control systems (MCS). Organisational ideology is defined as an over-arching idea-system that provides the fundamental justification and legitimation for what it would have employees believe is an established order (Czarniawska-Joerges, 1988; Thompson, 1980). The MCS literature has long recognised the importance of culture, clan controls and belief systems (Ahrens & Mollona, 2007; Dent, 1991; Efferin & Hopper, 2007; Ouchi, 1979; Simons, 1995), but has paid little attention to how managers use ideological control to indirectly govern employee behaviour by controlling their underlying experience, thoughts and feelings. Ideological control concerns managers’ use of rituals and symbols, and their verbal communication of the organisational ideology, through which they target employees’ beliefs, emotions and values (Alvesson & Kärreman, 2004; Czarniawska-Joerges, 1988; Etzioni, 1975; Kunda, 1992).

Ideological control should be brought to the fore because it is often found that religious organisations, hospitals and non-governmental organisations (NGOs) have a significant proportion of employees whose commitment is primarily moral (Etzioni, 1961, 1964, 1975). Etzioni (1961, 1964, 1975) denotes such organisations ‘normative organisations’ and argues that ideological control is especially significant here. However, as stressed by Etzioni (1975, p. 6, 40–54), even in organisations where ideological control is predominant, certain elements of formal MCS have been established. The overall purpose of this study is to give a grounded account of ideological control and its interplay with formal MCS in normative organisations. We investigate MediOrg, a small religiously affiliated health centre operating as an NGO in rural India.

We also take up the related key issue of how a high level of compliance to formal MCS initiatives is achieved, including...
employees accepting increased use of MCS associated with an intrusion of economic rationality on work practices. The more micro-oriented\(^1\) accounting literature on health care organisations and NGOs has, in the main, focused on resistance to formal MCS (Broadbent, Jacobs, & Laughlin, 2001; Dixon, Ritchie, & Siwale, 2006; Goddard & Assad, 2006; Jones & Dewing, 1997; Kurunmäki, 1999), without paying much attention to compliance. Specifically, we address how managers in normative organisations can use ideological control to achieve a high level of compliance among employees when implementing formal MCS. We examine the implementation and reception of behavioural controls at MediOrg that heralded and promoted a more financially oriented agenda.

Our study contributes to the MCS literature in a number of ways. First, a focus on ideological control is consistent with the emerging accounting research on the “expressive dimensions” of organisational life (e.g., Ahrens & Mollona, 2007; Boedker & Chua, 2013; Chenhall et al., in press). However, while this literature has analysed, for instance, the influence of subcultures on formal MCS and how formal MCS play an active role in values expression, less interest has been shown in how managers use organisational ideology to enact a particular form of experience for their employees and to resist or high values to a sense of purpose. We focus mainly through ‘ideological talk’ in face-to-face contact between the manager and the employees that ideological control assumes specific significance in organisations. The ability of ‘ideological talk’ to emphasise MediOrg’s unique worth gave the manager a powerful instrument of control as it created characteristics of MediOrg that the employees perceived to be central, distinctive and enduring. Second, the use of ideological control and its creation of a strong and articulated organisational identity was of value to explain the absence of any resistance to the implementation of financially oriented formal MCS. Accounting scholarship has provided valuable knowledge of how the design characteristics and the implementation process of formal MCS can help to explain compliance (e.g., Ahrens & Chapman, 2004; Jordan & Messner, 2012; Wouters & Wilderom, 2008). We contribute by detailing a novel part of this implementation process, namely that a strong predominantly ideological control system was significant for how employees perceived the implementation of the formal MCS. Through the interplay with the predominant ideological control in place, the formal MCS became vested with symbolic significance. Third, Chenhall, Hall and Smith (2013) found that compliance increased when formal MCS were designed to produce ‘concurrenct visibilities’ such that different evaluative principles of organisational actors were made visible. Our findings suggest that compromise between multiple values can be sought both through

\(^1\) We acknowledge that there are studies within the domains of accounting and health care (e.g., Llewellyn & Northcott, 2005; Preston, Chua, & Neu, 1997) and accounting and NGOs (e.g., Neu, Everett, & Rahaman, 2009; Rahaman, Everett, & Neu, 2007, 2010) which have demonstrated how accounting calculations and techniques come to constitute or transform these organisations. These studies, inspired by Miller and Rose (1990, 1993, 1994; Rose & Miller, 1992) scholarship, mainly draw on the Foucauldian notion of governmentality and theorise accounting as a technology of government that is linked to wider socio-political objectives (cf., Preston et al., 1997). As stressed by Miller and Rose (1990), governmentality studies have a programmatic character with an important focus of analysis being on political power, i.e., the way in which the state and other social actors, such as the World Bank, increasingly appear to act on and intervene in the lives of organisations and individuals. In these studies, less attention was paid to detailed accounts of the internal workings of specific health care organisations and NGOs, in particular where formal MCS initiatives from the managers were concerned, and the eventual compliance or resistance of the employees to initiatives. This is where the emphasis of the present study is laid, so our research adopts a more micro-oriented approach than those of Llewellyn and Northcott (2005), Preston et al. (1997), Neu et al. (2009), and Rahaman et al. (2007, 2010).
دریافت فوری متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات