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### ARTICLE

#### **Accounting and the Making of *Homo Liberalis***

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**ABSTRACT:** This paper investigates the practices whereby the subject, in an organisational context, carries out systematic practices of self-discipline and becomes a calculative self. In particular, we explore the techniques of conduct developed by management accountants in a French carmaker, which adheres to a neoliberal environment. We show how these management accountants become calculative selves by building the very measurement of their own performance. The organisation thereby emerges as the cauldron in which a *Homo liberalis* is forged. *Homo liberalis* is the individual capable of constructing for him/her the political self-discipline establishing his/her relationship with the social world on the basis of measurable performance. The management accountants studied in this article prefigure the *Homo liberalis* in the self-discipline they develop to act in compliance with the organisation's goals.

**Keywords:** Technologies of the self, performance, accounting, *Homo liberalis*.

#### **Management and Calculating Selves**

For over thirty years, accounting research extensively drew on Foucault's work to demonstrate that accounting is not only a technique of producing data for decision-making, but also a social and political technique.<sup>1</sup> Accordingly, accounting and control systems have come to be described as instruments of continuous surveillance that discipline organisational members by creating knowledge about them. Here, discipline refers to the application of rules and codes of conduct drawn up within an organisation to ensure its smooth running.

For instance, Loft shows that the emergence and functioning of management accounting systems are intimately bound up with the operation of a power knowledge relationship. On the one hand, they produce knowledge, which can be used to discipline individuals. Activities incorporated into the account can more readily be subjected to the exercise of power. On the other hand, the accounting system that produces knowledge is itself a product of wielding power. Scrutiny, investigation, questioning, and requesting explanations all combine to

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<sup>1</sup> Stuart Burchell, Colin Clubb, Anthony G. Hopwood, John S. Hughes & Janine Nahapiet, "The Roles of Accounting in Organizations and Society," *Accounting, Organizations and Society*, vol. 5, no. 1 (1980), 5-27. Ann Loft, "Toward a Critical Understanding of Accounting: The Case of Cost Accounting in the UK, 1914-1925," *Accounting Organizations and Society*, vol. 11, no. 2 (1986), 137-169.

produce a system, which creates a specific “truth.”<sup>2</sup> Accounting is a calculating technology that has developed owing to historical changes in the labour market that caused the appearance of certain professions and the disappearance of others.<sup>3</sup> It is a technology that enables the governing of individuals by deploying techniques of calculation, such as standard costs and budgeting, and techniques of observing and knowing individuals, such as industrial psychology and scientific management.<sup>4</sup> Accounting makes the individual calculable and enables the production of disciplined subjects.<sup>5</sup>

Accounting research also demonstrates the importance of mechanisms for acting on the self and explores subjectivation processes. Subjectivation—the making of the subject—is a process whereby the subject is led to observe himself/herself, to analyse himself/herself, to decipher himself/herself, and to recognise himself/herself as a potential domain of knowledge. Subjectivation can be achieved through surveillance; but it may also stem from discourses that inspire and shape behaviour.<sup>6</sup> Rather than being fundamentally and inescapably oppressive, power can also be enabling.<sup>7</sup> Power acts on all those engaged in the matrix of power relations<sup>8</sup> rather than simply being the exercise of authority by one over others; and its aim is to discipline both the self<sup>9</sup> and others.<sup>10</sup> Related to the making of individuals through disciplinary technologies are technologies of the self,<sup>11</sup> such as confession, whereby a person—either alone or with the help of others—acts upon his own body, behaviours and thoughts. To illustrate,

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<sup>2</sup> Loft, 140.

<sup>3</sup> Peter Armstrong, “Changing Management Control Strategies: The Role of Competition between Accountancy and other Organisational Professions,” *Accounting, Organizations and Society*, vol. 10, no. 2 (1985), 129-148. Trevor Hopper & Peter Armstrong, “Cost Accounting, Controlling Labour and the Rise of Conglomerates,” *Accounting, Organizations and Society*, vol. 16, No. 5/6 (1991), 405-438.

<sup>4</sup> Peter Miller & Ted O’Leary, “Accounting and the Construction of the Governable Person,” *Accounting, Organizations and Society*, vol. 12, no. 3 (1987), 235-265. Peter Miller & Nikolas Rose, “Governing Economic Life,” in Mike Gane & Terry Johnson (eds.), *Foucault’s New Domains* (London: Routledge, 1993), 75-105.

<sup>5</sup> Miller & O’Leary.

<sup>6</sup> Paul Du Gay, Graeme Salaman & Bronwen Rees, “The Conduct of Management and the Management of the Conduct: Contemporary Managerial Identity,” *Journal of Management Studies*, vol. 33, no. 3 (1996), 263-282.

<sup>7</sup> Michel Foucault, *L’herméneutique du sujet, Cours au Collège de France (1981-1982)*, compiled under the direction of François Ewald and Alessandro Fontana, edited by Frédéric Gros (Paris: Seuil/ Gallimard, 2001), translated by Graham Burchell, *The Hermeneutics of the Subject. Lectures at the College de France, 1981-1982* (New York: Picador, 2005). David Knights, “Changing Spaces: the Disruptive Impact of a New Epistemological Location for the Study of Management,” *Academy of Management Review*, vol. 17, no. 3 (1992), 514-536. Mahmoud Ezzamel, “Organizational Change and Accounting: Understanding the Budgeting System in its Organizational Context,” *Organization Studies*, vol. 15, no. 2 (1994), 213-240.

<sup>8</sup> Rick Delbridge & Mahmoud Ezzamel, “The Strength of Difference: Contemporary Conceptions of Control,” *Organization*, vol. 12, no. 5 (2005), 603-618.

<sup>9</sup> John Roberts, “The Possibilities of Accountability,” *Accounting, Organizations and Society*, vol. 16, no. 4 (1991), 355-370. Barbara Townley, “Know Thyself: Self Awareness, Self Formation and Managing,” *Organization*, vol. 2, no. 2 (1995), 271-289.

<sup>10</sup> David Knights & Glenn Morgan, “Corporate Strategy, Organizations, and Subjectivity: A Critique,” *Organization Studies*, vol. 12, no. 2 (1991), 251-273.

<sup>11</sup> Townley.

the emerging focus upon subjectivity and identity within professional service firms (in particular audit firms) often draws upon the work of Foucault. The mechanisms of individuation within audit firms operate, in part, through appraisal and performance assessment processes.<sup>12</sup> Anderson-Gough *et al.*<sup>13</sup> show how the processes of organisational discourse, such as the use of cliché and appropriate language, construct disciplinary conceptions of what makes an individual auditor into the “right stuff.”<sup>14</sup>

Accounting systems have also been described as subjectivation devices through which programmes are implemented in firms. The financial regime of truth is not composed of formal rules alone; it also comprises subjectivity. Pentland analyses the rituals whereby the inherently untrustworthy financial statements of corporate management are transformed into a form with which auditors and the public can be comfortable.<sup>15</sup> Referring to Foucault,<sup>16</sup> Roberts<sup>17</sup> shows that the preparations of financial directors for face-to-face meetings with investment fund managers change their conduct as directors because they attempt to anticipate investors’ expectations. In particular, he demonstrates that these meetings publicise and make visible the ideals informing both investor and director conduct. Kosmala MacLulich observes the same phenomenon of subjectivation in auditors in face-to-face situations with their clients; for auditors, it is a matter of scrutinising their own judgements during interviews.<sup>18</sup>

All of the above studies show that subjectivation is not produced by disciplinary control alone and that it is also the result of work on the self.<sup>19</sup> However, in the accounting field, only few papers pay attention to the very practices of such “work on the self.” This paper intends to address this gap by investigating techniques of conduct of management accountants in a French carmaker, which has intensively integrated pressures from its neoliberal environment. Its neoliberal management logic is characterised by “controlled autonomy,” “flexible constraint” and “self-control,” and aims to make employees internalise the new norm of productive efficiency. Read highlights the extent to which subjectivation is at the heart of

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<sup>12</sup> Chris Grey, “On Being a Professional in a ‘Big Six’ Firm,” *Accounting, Organizations and Society*, vol. 23, no. 5/6 (1998), 569-587. Mark A. Covalleski, Mark W. Dirsmith, James B. Heian & Sajay Samuel, “The Calculated and the Avowed: Techniques of Discipline and Struggles over Identity in Big Six Public Accounting Firms,” *Administrative Science Quarterly*, vol. 43 (1998), 293-327.

<sup>13</sup> Fiona Anderson-Gough, Chris Grey & Keith Robson, “In the Name of the Client: The Service Ethic in Two Professional Services Firms,” *Human Relations*, vol. 53, no. 9 (2000), 1151-1174.

<sup>14</sup> David J. Cooper & Keith Robson, “Accounting, Professions and Regulation: Locating the Sites of Professionalization,” *Accounting, Organizations and Society*, vol. 31, no. 4/5 (2006), 415-444.

<sup>15</sup> Brian Pentland, “Getting Comfortable with the Numbers: Auditing and the Micro-production of Macro-order,” *Accounting, Organizations and Society*, vol. 18, no. 7/8 (1993), 605-620.

<sup>16</sup> Michel Foucault, *Histoire de la sexualité. Tome 2. L’usage des plaisirs* (Paris: Gallimard, 1984). Michel Foucault, *History of Sexuality 2: The Use of Pleasure* (New York: Pantheon, 1985).

<sup>17</sup> John Roberts, “No One Is Perfect: The Limits of Transparency and an Ethic for ‘Intelligent’ Accountability,” *Accounting, Organizations and Society*, vol. 34, no. 8 (2009), 887-998.

<sup>18</sup> Katarzyna Kosmala MacLulich, “The Emperor’s ‘New’ Clothes? New Audit Regimes: Insights from Foucault’s Technologies of the Self,” *Critical Perspectives on Accounting*, vol. 14, no. 8 (2003), 791-811.

<sup>19</sup> Of course, disciplinary power subjects through inscribing a particular self-relation into the subject: the internalization of the gaze of the panoptic observer. However, this is not the kind of technology or aesthetics of the self, Foucault is talking about at the end of his life.

Foucauldian analysis of neo-liberalism;<sup>20</sup> in particular, we explore how self-discipline practices play a part in crafting the accountant. We show that disciplinary power subjects through inscribing a particular self-relation into the subject. This self-relation is connected to internalizing the gaze of the panoptic observer and modern politics of truth. We also demonstrate that the performance measurement practices/technologies aimed at enhancing performance are not productive in the Foucauldian sense. They rather threaten to destroy the subject that in turn must develop quasi-ascetic skills in order to withdraw from these situations of intense pressure produced by these performance measurement practices.

### **Methodology**

This case study is part of a much larger project devoted to analyse the role of management accountants and management accounting practices in France. Initially, we did not approach the data with a Foucauldian perspective in mind. Rather, the questions were descriptive and dealt with overall practices. After a brief description of their careers and current positions, management accountants were asked about their daily tasks, colleagues, and job satisfaction. The Foucauldian relevance of this case only emerged during the analysis of the data. Indeed, this firm, we call 'Equipauto' for the purpose of anonymity, proved to be rather different from the twelve other large multinational firms we studied. The management accountants quickly made us think in terms of discipline, embodying the panoptical gaze of both shareholders and top executives.

The data in this case study is gathered in interviews with management accountants at Equipauto. Since accountant positions are to be found at each level in the organisation ten interviews were held: at division level, branch level, and plant/site level. The reporting line is very flat and there are few levels of accountants. The majority of accountants in our sample have had training in management and only the director of management control, with 32 years of seniority, has an engineering background and training with a postgraduate qualification in management. All but one of the interviews took place on site, mainly in the French provinces. The interviews lasted between 45 and 180 minutes each.

### *Case*

Equipauto is one of the world's leading automobile equipment manufacturers, with a turnover of €9bn and 61,400 staff at 124 production sites worldwide in 2010. This industrial group is fully focused on the design, production, and sale of components, systems and modules for automobiles and trucks, for both the original equipment and spare parts markets. As an Original Equipment Manufacturer (OEM) in the automobile industry, it transforms materials or assembles products from second-tier suppliers for sale to a limited number of customers, *i.e.*, carmakers.

Equipauto dates back to 1920 in France. It started in the distribution and then manufacture of brake linings and clutch facings. In 1932, it was floated on the Paris Bourse, the French stock market. The 1960s and 1970s were a time of development as the firm both

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<sup>20</sup> Jason Read, "A Genealogy of Homo-Economicus: Neoliberalism and the Production of Subjectivity," *Foucault Studies*, no. 6 (February 2009), 25-36.

branched out into new sectors (brake systems in 1961, thermal systems in 1962, lighting systems in 1970 and electrical systems in 1978) and expanded internationally (Spain in 1963, Italy in 1964 and Brazil in 1974). Its policy of diversification even stretched beyond the automobile sector. At that time, Equipauto was organised by branch, each of which developed its own products and work methods. In light of the intense competition within the sector—affecting automobile manufacturers as much as the OEMs themselves—the need to cut costs and to improve productivity, increasingly became a question of survival. The mid-80s marked a turning point with the appointment of a new CEO by shareholders who, following a purely neoliberal logic, were seeking “to make Equipauto an organisation that responds as effectively as possible to the market and to align the firm with the market,” in the words of Equipauto’s head of management accounting. Within Equipauto, alignment with the market translated into a new management regime built on transparency, visibility, and accountability for all activities within the firm. Simplifying and standardising the practices of engineers achieved greater visibility of power/knowledge relationships,<sup>21</sup> which endowed management accountants with a new role: that of guardians. The main argument underlying this move was simple: in a context “in which economic warfare is being waged, in a world in which you cannot simply cut prices, you have to kill them, if the firm isn’t steered by financiers, it will not survive.” (Bernard, Management Accountant, Branch) Focusing on accountability and transparency, the new discipline triggered a power shift from operational managers—mainly engineers, holding positions both at the top (the old branch barons) and in middle management (managers in charge of production processes)—to management accountants.

In order to see everything, and specifically to enable financial comparison and control of activity as a whole in all countries, Equipauto’s head office now relies on a network of management accountants, which it views as the central organ of the surveillance system. The CEO’s decision to put power overtly in the hands of the accounting department is presented as the obvious and inevitable response to the competitive pressure exerted by automobile manufacturers on OEMs.

As the creators of the metrics to be used in measuring the firm’s performance, management accountants embody the panoptical gaze of both shareholders and top managers with regard to operations.

### **Monthly Performance Review Meetings as Trials of Truth**

The reporting encompasses a complete monthly income statement, a monthly balance sheet, and all that this entails—a whole battery of physical indicators. The five axes, you see? There are four indicators per axis that we report systematically on a monthly basis. Afterwards, there are all the analysis spread-sheets, also reported on a monthly basis. Then there is cash flow analysis, by the direct method, by the indirect method, and Return on Assets, which is calculated as a result. I would say that, at Equipauto, what we carry out every month is basically equivalent to the annual account closures in many other companies, with

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<sup>21</sup> Michel Foucault, *Surveiller et punir. Naissance de la prison* (Paris: Gallimard, 1975). Michel Foucault, *Discipline and Punish. The Birth of the Prison* (London: Penguin, 1977).

no less than 80,000 numbers to present. [...] All these data are laid out in a document called the Green Book. (Olivier, Financial Controller, Site)

Monthly performance review meetings last around three hours, during which management accountants are subjected to systematic cross-examination on a wide range of unforeseeable subjects. Initial questions naturally pertain to fulfilment of the most important financial targets, such as the return on assets or overall profit targets. Nevertheless, due to the extremely large amount of data involved, management accountants can never know for certain what other subjects they will be questioned on. Since their objectives are never fully or clearly established, monthly performance meetings can ultimately be compared to trials of truth rather than simple disciplinary exams:

You are faced with a jury of white shirts with sombre ties sitting in sober silence. Sitting in judgement is the board of directors, including, of course, the CEO and CFO [...] It's like an interrogation. (Barbara, Management Accountant, Branch)

In fact, the CEO only listens to the financial teams and puts pressure on them alone. Operational managers do not have a say. At first, the CEO puts on a show and gets on his soapbox, but then comes the 'face-slapping' session. [...] During these meetings, people feel mortified and the stress becomes almost palpable. People are transformed, the tone of their voice changes and they start stammering. (Barbara, Management Accountant, Branch)

Resisting the onslaught of criticism is one of the keys to successfully passing this trial. The point of this interrogation is not so much to gauge how well management accountants master every single aspect of financial and operational information; rather, it is to test their capacity to convince their audience that they are reliable. Their responsibility for the numbers here is twofold: they must comply with the standards of good accounting practice by performing the calculations correctly, but they are also responsible for the very performance represented by the numbers. Heavy bursts of criticism and interrogation are employed by senior management like an "ammunition machine"<sup>22</sup> to test the quality of management accountants' subjectivation. Sustaining a culture of continuous improvement emerges through such trials as a quest for some sort of Holy Grail shared by both judges and defendants alike. In order to prepare themselves to play their role as defendants, management accountants elaborate specific work on themselves that we explore in greater depth below.

### **Preparing Oneself and Disciplining Others through Metrics**

Preparation begins with the very selection of management accountants recruited to join the company. Responsible for recruitment, branch management accountants must find candidate profiles—whether internally or externally—best suited the needs of their business units. Recruitment and career progression procedures, in which both the recruiter and the recruited are management accountants, evoke feelings of joining a family in all newcomers, *i.e.*, an institution that demands one's loyalty and respect. This heavily influences the self-image of ma-

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<sup>22</sup> Burchell et al.

nagement accountants. Indeed, all the management accountants, even newcomers, seem to share a singular awareness that they are an elected few, the “chosen ones”: “This company is a kingdom ruled by financiers, but in the sector we’re quite unique in this respect.” (*Rachel*, Financial Controller, *Site*)

Being a member of such a family is a privilege that management accountants must deserve and live up to. To convince their peers and hierarchy of their merit, management accountants relentlessly seek to improve their numbers and to fulfil their commitments. Here, in contrast to the traditional master of the *logoi* in Ancient Greece, peers and the hierarchy provide only discreet guidance, fully expecting the individual to discover and learn the *logoi* by himself/herself. An important specific feature of this self-discipline is that the individual has to learn on his/her own, mostly by observing others, how to turn himself/herself into a calculative self.

At the end of each monthly performance review meeting, management accountants state their commitment to the action plans they will carry out and submit for judgement every single month. Management accountants constantly want and need to know the position they are currently in to keep everything under control. A large part of their time and effort is devoted to translating operational activity into a set of metrics on the basis of which the quality of their conduct is judged, both by themselves and others. These metrics include production norms, the budget, and performance indicators. John Roberts<sup>23</sup> shows how metrics can be used to mirror the self, locking individuals into the insatiable logic of continuous self-improvement.

Measurement in terms of deviation from a rule relates to both an accounting rhetoric and to the rhetoric of conduct. To measure up to the ideal, management accountants are willing to assess their progress and numbers continually in comparison to targets they have themselves helped to set. These targets take the form of accounting metrics and, more precisely, of norms and performance indicators.

One issue facing management accountants is that information is constructed on the basis of operational activity. The accounting metrics used by management accountants to measure their deviation from the ideal should therefore be shared with operational managers. Ultimately, both operational activity and raw data come from operational managers. Curbing deviations from the ideal relies in part on imposing metrics on operational managers, at all times and in all places. Such metrics are central to investment decisions and project management and are continuously used as references in the running of daily operations. Management accountants expect operational managers to translate their activities into the metrics of their own accord, by stating any variances from forecasts. This makes operational managers accountable for, and prepares them to explain and to limit, any future variances.

Management accountants enforce on operational managers the same regime of calculability to which they themselves submit. Management accountants must rely on operational managers to achieve results, and fostering the latter’s commitment requires collaboration behind the scenes. As a result, when preparing for performance review meetings, ma-

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<sup>23</sup> Roberts, “No One Is Perfect: The Limits of Transparency and an Ethic for ‘Intelligent’ Accountability.”

management accountants must gather the most relevant operational information possible and consult with operational managers to ensure that the action plans they envisage are realistic.

The nature of relations between management accountants and operational managers is rather complex. It may closely relate to a disciplinary exercise whereby management accountants set the rules and metrics with which operational managers have to comply. However, discipline feeds resistance. Ultimately, management accountants must persuade operational managers that the metrics serve their common interests.

Through questioning and confrontation, management accountants must be able to justify both the procedures they follow to reach specific outcomes and the measures they and operational managers apply to achieve their pre-set targets.

### **Examining One's Behaviour to Prepare Oneself**

As described above, monthly performance review meetings are formal and recurrent events in which management accountants undergo an extremely probing trial.

Yes, there's a lot of pressure. [...] Generally, they put a lot of pressure on you about your results... Your job is to be treated like a fool; you're there to get shouted at: "But you haven't reached your budget targets!!!" (Félix, Management Accountant, Plant)

The intensity of these meetings partly explains why management accountants prepare so hard for them beforehand.

When facing senior management, you have to know your figures by heart. The definition of best practice in this job is knowing your boundaries like the back of your hand, showing that you are on top of things and that you have everything under control. You have to be very, very good at anticipating the kinds of questions that will be asked, particularly when you work in divisions currently experiencing difficulties. You know for sure that you'll be grilled on that. So, you need to be ready to face down and respond firmly to remarks that can be very harsh, such as: "What are you waiting for to close down this site?" You cannot take it personally and you have to be tough. You have to develop a thick skin so that you can respond in a calm and collected manner to these interrogations. They expect you to be straight talking and cool-headed. That is a sign of control in itself and shows that you can be counted on. (Barbara, Management Accountant, Branch)

There is pressure. But, for me, stress is... It's also the result of the pressure you put on yourself. So, you have to know how to keep calm and take a step back. (Edouard, Financial Controller, Site)

When the firm's results do not match pre-set targets, the pressure weighing on management accountants' shoulders can become so heavy that some cannot cope with it anymore.

Those who cannot take the pressure leave, often after no more than two years. Others soldier on, not wanting to fail... But in the end, many break, especially if family or personal problems come into play. There have been many cases of depression and worse. We just don't talk about it. It's taboo, but that doesn't stop it from being for real. (Barbara, Management Accountant, Branch)



Knowing the high expectations that weigh on them, management accountants develop self-discipline. To be prepared to tell all, one must first have seen all:

You never know ahead of time what the questions will be about. It's like Russian roulette. To help branch financial controllers face questioning, we prepare crib sheets—around thirty pages of complementary information focusing on topics likely to be raised in the meeting. Sometimes they use this information, often not. We follow the branch financial controller's hunches... [These sheets] are drawn up on the basis of our cost structures: there are sections on materials, operational margins versus budgets, direct labour costs, and a special focus on any sites where we see results falling. In fact, everything revolves around cash and operating income, which makes for a lot of topics... This takes a phenomenal amount of time, analysis and reflection, and generates a lot of stress. You have to manage all three of these aspects... because we obviously have so much more than that to do. (Barbara, Management Accountant, Branch)

Management accountants subject themselves to self-discipline exercises. These exercises are designed to subjectivate them as one way to ensure organisational performance, encompassing the way accountants manage their time, both inside and outside work and often compelling them to work into the night or from home.

Mostly, we end up doing this kind of thing at night. In general, it's best to work on this kind of issue between 9 and 11 p.m., because it is often too hectic during the day. Between phone calls, emails and meetings, it is extremely hard to think. (Boris, Financial Controller, Plant)

This preparation frequently requires us to work into the night. I don't bother counting these late-night work sessions anymore. Usually, I take a break around 9p.m. to get things clearer in my head... You get exhausted... And then I go back and join the team to work for two or three hours more. (Barbara, Management Accountant, Branch)

A more difficult exercise in management accountant self-discipline consists in their finding the right position in relation to operational managers. Having to manage their own stress, management accountants also have to carefully gauge the pressure they place on operational managers' shoulders as they strive to balance short-term market pressures with long-term strategic decisions.

It's true that we increasingly feel market pressures, especially since we started to disclose our results every quarter. [...] Having said that, it is part and parcel of the financial controller's role to know how to slalom between the two: rising to short-term challenges—namely, meeting the targets we have announced to the markets—without sacrificing the long term. [...] There are moments when we need to know how to ignore this pressure so that we can continue to pursue the medium-term goals we have set ourselves. [...] The financial controller must temper things. He must be able to let off some of this pressure, because if he keeps it to himself he will explode. Then again, he must not change the direction of the work of his operational managers every five minutes. (Bernard, Management Accountant, Branch)

Furthermore, management accountants must continually play on both sides of the game, since they are held accountable both for enforcing administrative and financial rules and for ensuring that targets are met.

The accountant is a player in the game but, at the same time, he's also the referee. He's the one who keeps score. He's the one who whistles for offside—even if it's for an offside against his own team. (Georges, Management Accounting Director, Head Office)

This places management accountants in an awkward position in which they have to decide for themselves the extent to which they seek to influence operational managers. On the one hand, they must stand firm and assert themselves:

One of the difficulties of financial control is that we must maintain our role and hold on to what we have, because it is one of the keys to Equipauto's success. But we regularly face conflicts. (Olivier, Financial Controller, Site)

The management accountant must assert himself. He must persuade. (Georges, Management Accounting Director, Head Office)

As soon as you take the pressure off, everything starts to go wrong. (Edouard, Financial Controller, Site)

On the other hand, management accountants are told not to substitute for operational managers.

Since we are the ones with the tools we are better at predicting, compared to management. And, when management is a little light, there's always a strong temptation to supplant it, to grab the joystick and fly the plane ourselves. That is very dangerous. At Equipauto I think this temptation is very, very strong. To a large extent, we are organised to do just that, so you need a lot of willpower to say to yourself: I must stick to my own job. [...] And I find that pretty hard to handle. (Rachel, Financial Controller, Site)

Rachel's discourse clearly states that, despite understanding all the production processes and possessing all the necessary information to position themselves at the heart of decision-making, management accountants must hold back and not "grab the joystick and fly the plane" in place of operational managers. Senior management endows accountants with all the levers required to seize power and yet tacitly, and somewhat hypocritically, it also demands that they know their place. Here, accountants must act on themselves and manage the contradictions they face.

Preparations for monthly performance review meetings include practical exercises and self-examination that management accountants undertake of their own accord, assessing their progress and numbers through self-administered audits and self-assessment questionnaires.

Management accountants regularly refer to the Administrative and Financial Handbook (AFH), calling it "their bible." It contains all the rules and procedures of internal control with which Equipauto entities must comply.

The Administrative and Financial Handbook—our bible—is put into practice everywhere. (Bernard, Management Accountant, Branch)

We are asked not to reinvent the rules that have been designed by the branch. We are asked to ensure compliance with the procedures. Our job is to enforce the procedures in practice—in the field—and not to try to improve on them. (Olivier, Financial Controller, Site)

The disciplinary relationship between the self and the organisation laid out in the norms contained within the Administrative and Financial Handbook is supplemented by a relationship of the self with the self set out in two main questionnaires: the Chekov questionnaire, and the Equipauto Quality Audit. The Chekov questionnaire focuses on internal control rules, whereas the Equipauto Quality Audit deals with the five axes, a methodology applied by all employees and suppliers all over the world to deliver “zero defects” to customers and to provide them with optimal quality regardless of the production plant. These questionnaires serve to remind the management accountant that he must continually monitor his own actions to measure up to the rules.

This is a task that is becoming increasingly important for management accountants. It is to verify that nothing is getting out of hand and that a certain number of financial norms defined at group level are being properly applied. [...] For internal control, the tool in question is called “Chekov.” This is an extremely comprehensive list and we verify compliance with it very regularly, on an almost daily basis. For instance, on the issue of rolling inventories: are we using the right methods? Are we using them every month? Are we still using cheques (a practice banned in our company)? It’s a set of rules on sound management and good practice that have been formalised. So, we spend a good deal of our time checking that these procedures are being properly implemented because, otherwise, we find that things get out of hand very quickly. (Bernard, Management Accountant, Branch)

Testing compliance with the administrative and financial rules, the Chekov questionnaire is referred to on an almost daily basis. Management accountants use the Equipauto Purchasing Quality Audit to test their compliance with the five-axes philosophy:

There is what is called an EPQ audit, which means Equipauto Purchasing Quality. Auditors come to do an audit in accordance with the five axes. So, the five axes are applied in roughly 100 to 150 questions each. And the response to each of these questions must be positive. This is one way for the branches to manage progress. (Laura, Management Accountant, Site)

These questionnaires are self-examinations that help management accountants to remain constantly aware of their level of compliance with the code of conduct. They are questionnaires for which the candidates must know the right answers in advance and which require management accountants to know all about the firm’s operations. The continuous progress reflected in the five-axes logic is mirrored in the nature of this examination, which management accountants undergo. Since management accountants cannot know everything about the organisation nor keep everything permanently under control, this audit acts as an indi-

cator of the (relentless) progress that remains to be made. Another widely used questionnaire, the Equipauto 5000, is designed to assess the overall performance of business unit management accountants by benchmarking their overall performance with other Equipauto sites:

There is a whole system of internal control, or internal auditing. The Equipauto 5000 questionnaire generates a ranking of the different sites. When site directors attend board meetings at branch head office, the finger is pointed at them: "You got 56% at your last Equipauto 5000, that's bad news. Look, he got 83%." That's the kind of thing that really gets to people. And it's true that it is used as a tool for applying pressure, a management tool at Equipauto. (Laura, Management Accountant, Site)

The Equipauto 5000 gathers performance indexes in a wide variety of dimensions (financial, continuous progress, etc.) and ranks every single Equipauto site on the basis of an index. It provides a map of business units, ranging from the most to the least successful ones. This benchmark reveals the crucial role of peers in the management accountant subjectivation process. Tacitly, the most successful peers become the reference for others. Management accountant "success" is fragile, because it is always relative to performance of others and can always be improved, since no one ever achieves 100% in Equipauto 5000.

These questionnaires (Equipauto 5000, Chekhov) appear as self-reflection exercises, with the number of wrong answers, or points to gain, being the distance management accountants have yet to run if they are to measure up to expectations. They constitute a confessional in which accountants admit their bad deeds—confession, according to Foucault, being a key device for accessing the subject's self-knowledge.

In addition to managing their time and stress on a daily basis and facing regular questionnaires and examinations, management accountants use daily five-minute meetings to complete their preparations for monthly performance review meetings. Depending on their position in the reporting line, they must either attend or chair several five-minute meetings each morning. For instance, as a plant financial director, Edouard organises financial control meetings and takes part in the plant's management board meetings:

I have three five-minute meetings. The first meeting is the meeting of the division board at 8:15 a.m. Then, there is the plant meeting where there are four or five people from Autonomous Production Units and people from quality and methods. In general, 80% of the time is spent explaining volumes and the performance of the previous day. The remaining 20% is spent on alerts and reminders of several big events in the coming day. And then I have the financial meeting. (Edouard, Financial Controller, Plant)

Five-minute meetings are examinations for which management accountants need to prepare. Self-discipline includes learning to face operational managers:

I've got into the habit of arriving a little before the five-minute meeting because it's better to prepare for it and have your ammunition ready. Normally, I arrive around 7 a.m. (Rachel, Financial Controller, Site)

Indeed, the five-minute meeting can be viewed as a daily rehearsal for monthly performance review meetings, since it partly embodies the theatrical dimension of the latter.<sup>24</sup> These meetings bring together on the same stage members of senior management, management accountants and operational managers, and require intense preparation backstage. They are designed to make sense of the past, to manage and organise the immediate agenda for the different business units, and to reaffirm power/knowledge relationships within the firm.

“We have to develop an action plan” illustrates both the implication of management accountants in operational activity and the commitment they expect from operational managers in return. The indicators developed from budget targets or from the five axes shape management accountants’ conceptions of operational activity and ultimately orientate the action plans to be implemented by operational managers.

In order to ensure commitment from operational managers, management accountants make certain that operational managers embed their operational activity in the metrics. They provide operational managers with pre-filled spreadsheets in which management accountants’ estimates of labour needs figure clearly. Each week, operational managers are required to fill in this document, thereby immediately revealing any variances from what remains a budget forecast, since production has not yet started.

At this point we can analyse the mechanisms in the problematization of the self that management accountants perform. This problematization can be categorised as ethical in the Foucauldian sense of the word. It leads management accountants to take an oath to comply with the rules for producing an accounting discourse, to adhere to the code of conduct and to follow rituals. The code of conduct includes the rules and procedures compiled in the Administrative and Financial Handbook and the Five Axes, constituting a prescriptive ensemble<sup>25</sup> tied to detailed metrics.

We argue that, being more than a mere set of rules to enforce, this prescriptive ensemble is used by management accountants to gauge what they must do to measure up to their ideal, *i.e.*, to become producers of truthful knowledge about the firm. Management accountants develop practices for acting on the self, submitting themselves to what Foucault calls “spiritual exercises.”<sup>26</sup> These are inextricably tied to the metrics that provide a basis on which management accountants can measure their conduct. These self-practices are designed to make “a strong subject rather than a lucid subject,”<sup>27</sup> meaning an individual who seeks to be

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<sup>24</sup> Erving Goffman, *The Presentation of Self in Everyday Life* (New York: Prentice Hall, 1973).

<sup>25</sup> Foucault, *Histoire de la sexualité. Tome 2. L’usage des plaisirs*. Foucault, *History of Sexuality 2: The Use of Pleasure*.

<sup>26</sup> Foucault’s study of ancient sexual behaviour is framed in terms of Hadot’s notion of spiritual exercises. Accordingly, Foucault’s aim is to link the practices of the self exhibited in the domain of sexual behaviour to the spiritual training and exercises that govern the whole of one’s existence. See Arnold I. Davidson, “Spiritual Exercises and Ancient Philosophy: An Introduction to Pierre Hadot,” *Critical Inquiry*, vol. 16, no. 3 (1990), 480.

<sup>27</sup> Frédéric Gros, “Care of the Self in Antiquity in Michel Foucault: An Attempt at Comparison with Contemporary Coaching,” in Eric Pezet (ed.), *Conduite de soi et management. Enquête sur les ascèses de la performance* (Paris: Vuibert, 2007).

as near to his/her full potential as possible.<sup>28</sup> In this case study we show how management accountants turn themselves into ethical subjects in the Foucauldian sense of the word.

### **Discussion: Establishing a Political Relationship with the Self**

In this paper we investigate the techniques of conduct whereby the subject, in an organisational context, becomes a calculative self. According to Foucault, disciplinary practices, including self-practices, involve a characteristic “fold-back” of the outside force. Through self-discipline, the subject attains a position that transcends himself/herself, the mode of which is pre-figured in the master-student relationship. Having internalised the master’s gaze, the subject involved in self-practices now becomes his/her own supervisor. In our case study, similar processes can be observed. The CEO and the CFO, embodying the market gaze, submit the management accountants to trials of truth during which they test the quality of their subjectivation. As highlighted by Harrer,<sup>29</sup> Foucault himself seems always to have thought of the moral self-constitution as a complement to the constitution of subjects through normalizing power and subjugation. The genesis of the subject essentially includes both these sides: subjection and self-constitution. On this point, our analysis concerning the making of the management accountant tends to corroborate Harrer’s thesis, according to which fabrication and self-constitution of subjects are but two sides of the same coin.

Foucault highlights the need to observe the work the subject accomplishes on himself and to understand the underlying techniques in question. In this respect, the management accountant we study in the article is an extreme case, because s/he also builds the very measurement of his/her own performance. Specifically, management accountants are subject to a two-fold responsibility for the numbers. They must show they respect the standards of good accounting practice by performing the calculations correctly, but they are also responsible for the very performance represented by the numbers. This leads to a blurring of professional boundaries, and the development of hybrid expertise and identities for management accountants.<sup>30</sup> To measure up to the role they are granted, management accountants develop metrics and measurement tools that serve both to discipline and to gather knowledge from operations, as well as self-discipline practices.

We show that disciplinary power subjects through inscribing a particular self-relation into the subject. This self-relation is connected to the internalization of the gaze of the panoptic observer and modern politics of truth. This proto normalization serves the diffusion of a neoliberal management logic, making the firm the model of a neoliberal society. This neoliberal management logic is characterised by “controlled autonomy,” “flexible constraint” and “self-control,” and aims to make employees internalise the new norm of productive efficiency. Read highlights the extent to which subjectivation is at the heart of Foucauldian analysis of neo-liberalism,<sup>31</sup> seen as a simple actor in the market in classic liberalism, *Homo oeconomicus*

<sup>28</sup> Foucault, *Histoire de la sexualité. Tome 3. Le souci de soi*. Foucault, *History of Sexuality 3: The Care of the Self*.

<sup>29</sup> Sebastian Harrer, “The Theme of Subjectivity in Foucault’s Lecture Series *L’Herméneutique du Sujet*,” *Foucault Studies*, no. 2 (2005), 75-96, 78.

<sup>30</sup> Peter Miller, Liisa Kurunmäki & Ted O’Leary, “Accounting, Hybrids and the Management of Risk,” *Accounting, Organizations and Society*, vol. 33, no. 7/8 (2008), 942-967.

<sup>31</sup> Read, “A Genealogy of Homo-Economicus: Neoliberalism and the Production of Subjectivity.”

has now become a competitive individual. And yet this competition still remains mediated. It operates in an organisational context, and what characterises competition in this context is the development and implementation of asceses of performance. The organisation thereby emerges as the cauldron in which is forged a *Homo liberalis* capable of constructing for himself/herself the political self-practices establishing his/her relationship with the social world on the basis of a measurable performance. The management accountants studied in this article prefigure the *Homo liberalis* in the self-practices they develop to act in compliance with the organisation's goals.

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