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The multiplicity of performance management systems

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The multiplicity of performance management systems: heterogeneity in Multinational Corporations and management sense-making

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Abstract

This field study examines the workings of multiple performance measurement systems (PMSs) used within and between a division and Headquarters (HQ) of a large European Corporation. We explore how multiple PMSs arose within the multinational corporation. We first provide a first order analysis which explains how managers make sense of the multiplicity and show how an organization's PMSs may be subject to competing processes for control that result in varied systems, all seemingly functioning, but with different rationales and effects. We then provide a second order analysis based on a sense-making perspective that highlights the importance of retrospective understandings of the organization's history and the importance of various legitimacy expectations to different parts of the multinational. Finally, we emphasize the role of social skill in sense-making that enables the persistence of multiple systems and the absence of overt tensions and conflict within organizations.

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This paper is concerned with the management controls of a large multinational corporation (henceforth, MNC) and, in particular, how managers relate to multiple performance measurement systems (henceforth, PMS). Ittner and Larcker called for research that provides "a rich description of emerging performance measurement practices," (1998: 204) and that is one aim of our paper. Also, in providing a rich account of these processes, we explore the co-existence of multiple performance measurement systems within the same sub-units – a phenomenon that has not been a major focus in the literature (Ezzamel, Lilley and Willmott, 2004; Datar, Kulp and Lambert, 2001; Cruz, Scapens and Major, 2011).

The organization studied is a major European MNC, *MegaCorp*, a pseudonym. In the context of a research project examining the use of the Balanced Scorecard (henceforth BSC) in *MegaCorp* across several national jurisdictions (Cooper and Ezzamel, 2013), we were puzzled by the presence of the ongoing use of several different PMSs. A number of the PMSs are well-known and competing 'brands' in the market for management controls, including the BSC (Kaplan & Norton, 1996), the Performance Prism (Neeley, Adams and Kennerley, 2002) and the European Foundation for Quality Management Business Excellence Framework (henceforth EFQM) (Conti, 2007). Each of these brands has many variants. Managers choose particular brands and versions before they can know their effectiveness in a particular organizational context. It is well understood that management control has many facets (Dearden, 1972; Hopwood, 1973; Simons, 1990; Merchant and Van der Stede, 2012), yet the exploration of the existence of multiple performance measurement systems raises several significant theoretical and research issues.

It would be instructive to know more of the processes that explain how multiple measurement systems have come to exist in the same organization. A variety of possible relationships may arise from the interaction between multiple measurement systems and practices. Fundamentally, the interactions between multiple PMSs raise questions about how actors within organizations make sense of them, their histories, rationales and contingencies. Further questions occur once we highlight sense- making: for example, how these multiple systems exist and are maintained; e.g. do they produce or reduce conflict, confusion, uncertainty, clarity, autonomy, etc. Little empirical work has been conducted to explore the interaction and use of control systems such as PMS. What is at stake for managers in affiliating with particular PMSs, and in ignoring others? What kinds of interaction, allegiance or identification might different managers have with measurement systems, and why? In short, can we understand the rationales for the existence of a multiplicity of PMSs in units of the same organization? This paper cannot answer all these questions; we concentrate on how actors make sense of the multiplicity and how it is maintained and rationalized.

There is an extensive literature on management control systems, their uses and effects; while we discuss this literature in the next section the concept of control packages (e.g., Otley, 1999; Malmi and Brown, 2008) may seem the most relevant to our analysis of multiplicity and interaction. However, the literature on control packages has focused of their functionality and the apparent benefits of interaction. Our approach is neither to celebrate nor condemn multiplicity, but to focus on interaction and understandings rather than the assumed integration and benefits of multiple controls systems (Simons, 1990). Rather, we extend a sense-making approach (Weick, 1995; Brown, Colville and Pye, 2014) to understanding the interaction of control systems with multiple, indeed overlapping PMSs, and how managers understand, act with and maintain them.

Sense-making approaches in accounting have typically been part of a broader analysis using structuration theory (Giddens, 1984). Thus Roberts and Scapens (1985) and Macintosh and Scapens (1990) use structuration theory to understand accounting as a complex interplay of structuration, signification and domination. While useful, the very breadth of the perspective makes it hard to apply in specific empirical situations or to focus on issues of meaning, understanding and interpretation[1]. In our view, Weick's theory of sense-making (1995) offers a more refined and developed understanding of the specificities of the schemas shaping organizational actors' sense-making than Giddens' more general overview of signification as a 'structure'.[2] Further, one of our contributions is to highlight the importance of social skills in Weick's theory of interaction and sense-making.

Tillmann and Goddard (2008) apply sense-making to understand strategic management accounting, highlighting how it is used and understood by managers. We concentrate on PMS within a MNC, highlighting the importance of historical understandings in retrospective sense-making, the forms of sense-making involved in making various PMS legitimate, and the importance of social skill in manoeuvring between multiple systems in practice. Weick's theory of sense-making (1995) is particularly important in organizations facing uncertainty or ambiguity (Brown et al, 2014) and the organizational subunits we studied faced considerable ambiguity and uncertainty concerning their very existence and their relationship with HQ.

In the following section we offer a brief overview of research on PMS and detail the questions and the conceptual concerns that underlie our interest in PMS multiplicity. Given that *MegaCorp* is a multinational, we then focus on PMS research in such organizations, which highlights the neglected issues of sense- making and legitimacy in a heterogeneous context. We proceed to outline our research methods and the characteristics of our research site. Our analysis follows a *two-stage approach* (Gioia & Chittipeddi, 1991) in which the *first*

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[1] Roberts (1991) applies structuration theory, but mainly as a sensitizing device. Boland (1984; 1993; see also Boland and Pondy, 1984 and Boland and Tenkasi, 1995) highlights one aspect of structuration theory, namely the symbolic roles of information and budget systems.
[2] Sewell (1992) has expressed similar reservations about Giddens concept of signification as 'structure'.

order analysis outlines the experiences and events that our informants offered in their accounts of the operations of PMSs within *MegaCorp*. We then provide a *second order* analysis in which we build on the first stage observances to explore the role of sense-making processes, legitimation variations, and the role of social skill in the emergence and maintenance of multiple performance measurement systems. We conclude with an assessment of the implications for further research.

Performance Measurement Systems in Organizations

"The choice of performance measures is one of the most critical challenges facing corporations" (Ittner & Larcker, 1998: 205).

Researcher: "If you were to begin with a blank sheet of paper and you already have knowledge of all these systems of performance measurement, which ones would you have in and which ones would you have out?
Response: "It's an excellent question that we've posed ourselves a number of times. [Pause]… Yeah, there's lots. In fairness, a lot of them... " (Interview, Manager).

Why do organizational actors adopt, persist with, or discard particular PMSs? The conventional assumption is that PMS can enhance organizational performance (Otley, 1999; Merchant & Van der Stede, 2012). Many commentators (e.g., Malina and Selto, 2004; Huff and Jenkins, 2003) note that the prescriptions of various consultants and academics predict performance management models and measures can help achieve superior performance and strategic direction (e.g., Kaplan and Norton, 2001). Certainly, organizations invest heavily in PMSs (Neely et al., 2008). Yet, there is also considerable evidence that controls that seem redundant or have been superseded persist within many organizations (Cooper, Brown, Greenwood and Hinings, 1996).

Accounting researchers have sought to explore the effects of PMSs (Franco-Santos, Lucianetti and Bourne, 2012) by demonstrating the effectiveness of a PMS over its absence (e.g., Davis and Albright, 2004; Ittner and Larcker, 2001, Ittner, Larcker and Meyer, 2003), or the benefits of one PMS over another (Aranda and Arellano, 2010). Studying the relations between actual or perceived performance is challenging, and has, so far, offered ambiguous results (compare, for example, Davis and Albright, 2004, Ittner and Larcker, 1998 Crabtree and DeBusk 2008, and Banker, Potter and Shrinivasan, 2000, with Ittner, Larcker and Randall, 2003). Little research has examined whether PMSs improve other dimensions of organizational performance, such as growth, innovation or reputation, yet it seems clear that PMSs have a positive impact upon managers' perceptions of organizational performance (Chenhall, 2005; Henri, 2006b), project team performance (Burney and Widener, 2007; Davila, 2000) and inter-firm collaboration (Cousins, Lawson and Squire, 2008; Mahama, 2006). Busco and Quattrone (2015) offer an innovative analysis that emphases the multiple and changing effects of the balanced scorecard, highlighting "how the visual designs utilized by the BSC create a space in which order and knowledge can be classified, different interests can be accommodated through a constant process of interrogation and reinvention of strategic

visions and imperatives, and engagement can be sustained through participation in a series of recurrent activities." (2015: 1237). This moves the PMS literature away from a concern with single effects, such as organizational performance or attitudinal changes. However, that study is concerned predominantly with the visualizations and inscriptions only of the BSC, one form of PMS.

Given that performance depends upon so many things other than the PMS, research has largely gravitated towards the impact on organizational change and managerial behaviour. PMSs can help in disseminating operational measures relevant to strategy implementation (Chenhall, 2005; Lillis, 2002; Malina and Selto, 2001; Marginson, 2002), enhancing managers' strategic focus (Butler et al., 1997), promoting innovation and learning (Marginson, 2002; Cruz et al., 2011) as well as improving communication and management within organizations (Ahn, 2001; Tuomela, 2005). Yet we also know that PMS are invariably incomplete and require continuous repair and interpretation (Dambrin and Robson, 2011)

Behavioural studies have explored the impact of PMSs upon managerial motivation and feelings of empowerment with contrasting results (Hall, 2008; Decoene and Bruggeman, 2006). PMS are said to enhance co-ordination and co-operation within organizations by improving comparability (Cruz et al., 2011; Dossi and Patelli, 2010). However, PMS can also reduce job satisfaction (Ittner et al. 2003b), decision making and learning (Hall, 2010), and role understanding (Cheng, Luckett and Mahama, 2007). The use of subjective, usually non-financial, measures in a PMS may enhance flexibility and broader notions of performance (Gibbs, Merchant, van der Stede, & Vargus, 2004), but also be a source of distrust, conflict, tension and feelings of unfairness (Ittner et al, 2003; Marginson, 2002; Malina and Selto, 2001) - especially if the PMS influences management rewards.

Our study focuses initially upon the reasoning that the managers themselves offered for their situation, exploring their accounts of the operation of the multiple PMSs. Our concerns are with the processes through which multiple PMSs were developed and how they operated within sub-units of a MNC that displays considerable heterogeneity in its markets, products, modes of operations and contexts. By drawing upon the narratives of the managers, we seek to understand how these PMSs arose, their differing uses, and how the presence of multiple PMSs was maintained. More specifically, our reading of the prior literature and our empirical observation that generated these inquiries resulted in two research questions:

1. Through what processes have multiple performance measurement systems arisen within *MegaCorp*?
2. How and why do managers within *MegaCorp*'s sub-units persist with, and tolerate, multiple performance measurement systems?

To further examine these questions, we utilize the literature on the development, use and skills that seem to be involved in PMS. First, the *historical trajectory* of the whole

organization, as well as specific units, is likely significant in impacting the performance of specific PMSs (Hopwood, 1987). Second, in trying to identify what makes a PMS enabling (rather than inhibiting), Wouters and Wilderom (2008) suggest the integration of *specific skills*, knowledge and practices (or occupational professionalism) of employees in the development of a PMS enhances organizational learning and management effectiveness (Ahrens and Chapman, 2004). Third, as Ferreira and Otley (2009) note, the particular *use* of a PMS is a central element in understanding PMS effects. Speckbacher, Bischof and Pfeiffer, (2003), for example, identified three types of PMS use: a scorecard for multiple financial and non-financial key performance indicators (KPIs); as a causal mapping of KPIs and intended strategic orientation; and the use of incentives and rewards attached to KPIs in the scorecard.

Our study was built around the observation of several PMSs being in operation in the same organizational sub-unit of *MegaCorp*. The MNC provided an enlightening context in which to explore how and why managers used PMS and why they might prefer one brand of PMS over others. This context is also relevant since several studies have observed how the development and the functioning of a PMS is both costly and time consuming (Ahn, 2001; Butler, Letza and Neale, 1997). Whatever the normative ideals or functions a PMS is thought to accomplish, the market for PMSs is also highly contested. There is an active market for 'branded' PMSs - such as the BSC, Performance Prism, EVA, or, as in this study, the EFQM Business Excellence model - to choose between. Inevitably, such choices occur before the costs and benefits of a PMS can be known; choices are made within situations of limited empirical evidence to support the normative claims of a specific PMS. Evidence of the success of specific 'branded' systems is not robust and typically relies upon self-reported claims of effectiveness (e.g., Ittner & Larcker, 1997, 1998; Braam & Nijssen, 2004).

Within these general themes for the study of PMS preferences, our focus is upon an organization where several, ostensibly similar, potentially duplicating, PMSs were in operation. Our research sites were sub-units of a major multi-national, which has invested in several PMSs since the 1980s. While much of the PMS literature has focused upon manager and organizational effects, fewer have explored either PMS multiplicity (observed in *MegaCorp*) or the impact of the specific circumstances of multinationals in relation to PMSs.

The MNC as a Context for Studying PMSs.

Our study focusses on diversity and multiplicity in performance measurement systems and practices *within* an organization. In particular, we examine the issue of multiplicity in the context of the MNC. Their management systems and practices must deal with heterogeneity due to varying, local cultures and traditions, and the characteristics of local product and labour markets. Classic studies such as Bartlett and Ghoshal (1999) and Gupta and Govindarajan (1991) indicate the variety of management practices and systems used by MNCs.

Yet, studies of the MNC context for PMS are relatively sparse. Busco, Giovannoni and Scapens (2008) explore the development of a PMS within Nestlé in terms of classical tensions between imperatives for integration and differentiation. The need for integration is premised upon the idea that the pursuit and alignment of organizational strategy is enabled by greater standardization of process and systems that facilitate co-ordination among sub-units. Yet integration/ standardization compromise the capacity of an organization to adapt to local circumstances, such as socio-economic, political, cultural and legal contexts. Thus, Kostova, Roth and Dacin (2008: 998) argue that, "MNCs and their sub-units face multiple, fragmented, nested, or often conflicting institutional environments." Busco et al (2008) highlight performance measurement practices that stressed the differences that are specific to the managers located within specific sites in the MNC. They show the ambiguous effects PMSs can have within contradictory pressures for centralizing and decentralizing, integrating and differentiating, and enhancing vertical as well as lateral relations. Notably, Busco et al. observed that prior to the changes within Nestlé, business units might operate different PMSs to measure profitability, but that in order to standardize the transfer pricing mechanisms between subsidiaries, Nestlé sought to impose a standard PMS (2008: 117). Nevertheless, while successful in imposing this change, subsidiaries with local brands maintained the capacity to use their own PMS to measure and manage profitability. Busco et al (2008) highlight further the role of informal practices in managing integration/differentiation tensions, a point we will develop in our own analysis of social skill.

The pressures that MNCs face, which often reflect local pressures experienced by plants, divisional units and HQ from individual host countries (Kostova & Roth, 2002; Cruz et al., 2011), also suggest how heterogeneous practices can emerge from local implementation of ostensibly global initiatives (although Van der Stede, 2003, argues that official local variation is limited). In Cruz et al., (2011) the multi-national hotel chain enacted a globalised MCS that was "made [to] work for" (2011: 424) and was reshaped by local managers, with consequences for the heterogeneity of local management control practices. They note that, "accounting practices can vary in each context where they are practiced; as such they are a situated and skilful accomplishment of local actors" (Cruz et al., 2011: 424). This conclusion is supported by Quattrone and Hopper (2005) which highlights that the integrating and controlling ambitions of ERP implementation in two multinationals are seriously impacted by "how actors with divergent expectations and beliefs define organisational spaces and times to exert their own views of order." (2015: 761).

Cooper and Ezzamel (2013) similarly suggest the importance of local adaptations and social skill in a MNC attempting to introduce a BSC throughout the organization. They highlight how local managers interpret and reconstruct corporate aspirations and techniques to fit local concerns and pressures, managing globalization through localizing measurement technologies.

In our study, we carefully explore crucial issues of legitimacy and managers' interpretations, topics hinted at in Cooper and Ezzamel (2013) and Quattrone and Hopper (2005), but largely ignored by Busco et al. (2008 and 2011) and Cruz et al. (2011). MNCs, both as a whole and within their sub-units, have concerns about how to explain and justify their activities (Kostova and Roth, 2002; Busco and Quattrone, 2015), in addition to organizational imperatives for efficiency and financial performance.

MNCs typically struggle less with totalizing institutional forces, than with multiple, local and sometimes conflicting institutional pressures for legitimacy (Kristensen and Zeitlin, 2005). Suchman defines legitimacy as: "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions." (1995: 574). Suchman further identifies three *kinds* of legitimacy – *instrumental* (justifying actions in terms of self-interest and practical consequences), *moral* (appealing to what is normatively right, including reference to formal authority) and *cognitive* (justifying action in relation to comprehensibility and taken for granted or subconscious beliefs about what is appropriate). These conflicting legitimacy demands, which can operate at different levels of a heterogeneous MNC, were an emergent conceptual focus as we account for the multiple PMSs that we observed. A related concern is how organizational members of a MNC *mediate* between competing and conflicting practices of different PMS. In the next section we explain our research methods, assumptions, and set out how our analysis proceeds.

Theory and Methodology

The development of organizational PMSs can be a drawn-out and elusive process, and the research methods employed in the study were qualitative and interpretive, spanning more than 5 years of personal interactions with the firm. Our starting point for this study was an exploration of the accounts of middle managers within *MegaCorp*'s sub-units as they narrated the emergences, uses and co-existence of multiple PMSs within their units.

The research is based upon interviews, observations in the offices and factories of *MegaCorp*, and examination of internal documentation and PowerPoint presentations. Initially, our research concerned the implementation and workings of a BSC in a MNC. However, sub-unit managers alerted us to their engagement with the BSC despite their preference for and use of another PMS, the EFQM. This paper focuses on our analysis principally of these middle managers working with these different PMSs.

The conceptual underpinning of this study is the theory of sense-making: that the actions of managers are founded upon the meanings of events and information by those same managers (Weick, 1995; Geppert, Williams and Matten, 2003; Zilber, 2002). We focus on three central elements of sense-making: retrospective sense-making; legitimacy; and social

skills. Sense-making links most directly to retrospection and also identity in sense-making-the historical trajectory wherein multiple PMSs emerged and became thinkable for the factories. We place emphasis upon how managers retrospectively construct a sense of which PMSs they used, which they don't, and why they use what they use. As Weick notes, sense-making processes are strongly associated with situations of uncertainty and ambiguity (Weick, 1995: 154). This seemed entirely appropriate as the sub-units we were researching experienced continuing fears about the viability of the factory as a result of Head Office notices and interventions. Managers felt uncertain over their strategy and their ability to survive competitive challenges from cheap Chinese imports (including those from Chinese subsidiaries of the company). As such, our study interprets the accounts of managers as sense-making (Weick, 1995; 2012; Brown et al., 2014) to explore the practical meanings of the PMSs in the organization, and addresses the multiplicity of legitimating claims and senses that surround those meanings. Weick suggests that identities are central to the senses managers make of situations and what they are doing, and that sense-making is frequently retrospective in that one makes sense largely from our reflections on past experiences (Weick, 1995: 25).

A sense-making approach highlights how our managers' actions and understandings are shaped by 'context' in the sense of the presence of others - the intersubjective construction of what is deemed 'sensible' to both one-self and to others with whom one interacts. Thus while our research concentrates on middle managers, we were also cognizant of their sensitivity to the senior managers at HQ (Weick, 1995: 30-43), whom we also interviewed. Sense-making is sensitive to how power and the approval of others are understood (Whittle, Mueller, Gilchrist and Lenney, 2016; Balogun, Jarzabkowski and Vaara, 2011; Hong, Snell and Mak, 2016). Accordingly, sense-making processes embody subtle legitimation strategies on the part of managers. Seeking legitimacy is in part accomplished by an imaginary of what others in the relevant context would deem appropriate, acceptable and plausible, or not. In this study we analyze several instances of how such discursive imagining helps managers choose what PMSs to use and why, and we show how the choices and preferences for PMSs embody their sense of what would be considered legitimate processes (Boland & Pondy, 1984; Balogun et al., 2011). We illustrate how legitimacy is thought of and stress that what 'legitimises' is not uniformly distributed throughout an MNC. Thus, we focus on the multiplicity of senses and differing legitimacies arising in a complex MNC (Suchman, 1995; Hong et al., 2016; Tippmann, Scott, & Mangematin, 2012; Geppert et al., 2003). In large organizations, with central administrations and remote divisions and factories, issues of sense-making and their relationship to legitimacy may not be "univocal" but heterogeneous within and between organizational sub-units and their national and regional traditions (Corley and Gioia, 2004; Cruz et al., 2011; Moll & Hoque, 2011).

We give priority to the understandings of events and contexts given by the people who experienced those events (Clark & Gioia, 2010; Van Maanen, 1979). Understanding the processes that underlie the choices of, and the relationships between, the PMSs used by

managers within *MegaCorp's* sub-units, helps us to identify the meanings and the senses given to events by participants (Weick, 1995; Langley and Tsoukas, 2010). As such, the points of view and interpretations of the organizational actors' discourses become the basis for a first-order (elements of interviewees' accounts and important meaning systems) analysis of the events such insiders describe. From there we develop second-order interpretations (themes, concepts) based upon the relevant first-order data, theoretical concepts from the accounting and organization literature and our interpretations of other relevant contextual issues.

Having emphasized retrospective sense making and legitimacy as important elements of sense-making, a third element, less developed in the theoretical and empirical literature, is the concept of social skill and its role in accommodating tensions and contradictions between the differing preferences for a PMS (Fligstein, 1997). Weick (2001) underscores the importance of social skills in maintaining continuities in organizing and learning (ibid: 214), in enabling organizational participants to "represent and subordinate themselves to communities of practice" (ibid: 279), and to strengthen interactions when facing uncertain situations (ibid: 452). We enhance this understanding of social skills with the work of Fligstein and McAdam (2012) who show how skilled individuals manage (accommodate) or upset established institutions, and mediate tensions between divergent institutionalized practices. This points to the 'social skill' enacted in maintaining a non-conflictual state between the differing preferences among different sub-units within a MNC; in our case differing preferences for PMSs. Sense-making underscores the importance of enacting plausible or sensible 'environments' or context; sensitivity to and appropriate behaviours towards what others think of and consider legitimate. We use these three theoretical strands to organize our discussion of the Second Order analysis.

Research context

Our research sites were offices and plants of a major MNC: *MegaCorp* is a global corporation with HQ in a European country, and at the time of our field work, half a million employees and a turnover of over £60 billion. We chose to study *MegaCorp* as it was engaged in a major process of global implementation of the BSC. The overall theme of the research project was exploring issues of diffusion and variation in the implementation of BSC principles into the divisional and sub-unit practices of performance measurement. One major concern of the study was to explore the interaction between local practices and the ideals of *MegaCorp*'s HQ in embarking upon a major corporate rationalization of the company's PMS (Cooper and Ezzamel, 2013).

MegaCorp was organized around several major divisions, including the *Electron Division* (a pseudonym) that has around 70 factories distributed globally. *MegaCorp* operated a form of matrix structure, where the divisions for production (including most investment and product development) report to the global *Electron Division*, and national divisions for sales and tax reporting, which report to national Divisions. Thus, *Electron* is also a part of

ElectronUK, and we focus on two linked units, a production unit, *Automata* (a pseudonym) which reports to Electron and a sales unit, *Mercado* (a pseudonym), which reports to ElectronUK. *Automata* employs about 400 people and has a turnover of approximately £50M. *Mercado*, the commercial unit of the national Division, *MegaCorpUK*, sells a wide range of electronics products including, but not limited to, the items produced by the *Automata* plant. It employs over 600 people and has an annual sales volume of about £150M. Our case focuses more closely upon the manufacturing unit, though the sales unit was in close physical proximity to *Automata* and shared the same characteristics in terms of the multiple management systems. Interviews with managers at *Mercado* proved helpful in validating the rationales that we noted for the multiple uses of different performance measurement systems. The fortunes of *Mercado* as a sales unit were essentially intertwined with the success of *Automata* because of the dominance of production and engineering in the culture of *MegaCorp*. *Automata*'s history had more significance in terms of the preferences for different measurement systems that we observed in the two units.

Methods

First, between 2004 and 2009 we conducted 97 semi-structured interviews at several locations in *MegaCorp*. One, and sometimes two, members of the research team conducted interviews. The precise content of the interviews varied depending on the experience and background of the subject, but interviews typically lasted about 90 minutes, were recorded and transcribed. Interviews evolved in accordance with the experiences and expertise of each specific interviewee. As new themes emerged we focused the interviews on investigating those themes in more depth. Several such themes developed 'organically' around the theme of multiple PMSs as we learned about *Automata* and *Mercado*'s complex relationship to those PMSs that were centrally sanctioned within *MegaCorp*. This paper uses material drawn from 61 interviews: 51 interviews with employees from *Automata* and *Mercado* at varying organizational levels, as well as 10 interviews with *MegaCorp* HQ including senior management and internal management consultants responsible for developing *MegaCorp*'s own 'in-house' PMS, Time (see below). The remaining interviews pertained to other divisions within *MegaCorp* and were not directly relevant to this paper. Most managers in *MegaCorp* (and our focal units) have a long history in the firm. Table 1 summarizes the interviewees' profiles.

Insert Table 1 about here

Each interviewee was asked to briefly describe his/her job and tenure within the division, before being asked more specific questions related to how their performance was assessed by their superiors, how they assessed their subordinates, the extent to which PMS and specific KPIs were used to assess performance, and which PMSs were especially crucial to the way they manage their work. When informants mentioned the use of multiple PMSs, they were asked by the authors to explain what each of these measures meant to them and how they reacted to this multiplicity in terms of their cognition and influence on their daily

activities. We analyzed the interview transcripts and the contents of the various documents we inspected around the themes of specific management measurement systems, their interactions, informants' commitments to the systems, reasons for their diffusion within the division, and their impact on the daily work of the informants. A second round of analysis also highlighted issues of sense-making and legitimation.

Second, we collected many internal documents relating to the history of *MegaCorp*, its organizational structure, the Electron and ElectronUK Divisions, and manufacturing and sales units. We also carefully examined key performance indicators (KPIs) and their definitions, strategy statements, newsletters, and performance reports. We obtained other textual material on what informants identified as key processes and performance systems developed and disseminated by *MegaCorp*, or those that emerged in manufacturing and sales units in the division.

Third, we examined publicly available documents about *MegaCorp*, including its annual reports (1998-2009) and press coverage. Most of the empirical material we quote in the paper, however, comes from interviews and documents relating to the manufacturing and sales units in the UK as well as the division's international HQ. Additional material collected about *MegaCorp* from visits to units in Germany, China and Japan is used as background.

Last, much of the disseminating of information and system training of staff in the company's PMSs seemed to be conducted through PowerPoint presentations. We collected a number of these presentations relevant to the operation of *MegaCorp*'s PMSs to explore how each PMS was introduced and explained to staff. Examples of staff notices and factory charts of, for example, the BSC targets and results were also viewed during many site visits.

Data Analysis

Our analysis was premised upon a two-stage first- and second- order analysis of the interviews and documents (Rabinow and Sullivan, 1979; Gioia, Corley, and Hamilton, 2013)). Theory development proceeded in an iterative manner among prior research, data and theoretical frames. The First Order analyses offer largely descriptive, observational data drawn from the interviews and which seemed to us meaningful to, and used by, the informants in the study. Our intention was to explore the changes to PMSs through the eyes of the research subjects at *MegaCorp*'s subsidiary. The Second Order analysis outlines explanatory concepts that we contend address and answer our two Research Questions; it is a more theoretically self-conscious attempt to extend the theoretical literature about sense-making and legitimation in relation to theories of the roles and effects of PMS in organizations.

Thus, the interview transcripts and documents were read closely and arranged with reference to the key questions we sought to address. As our second order analysis proceeded we developed codes and concepts around the managers' accounts and experiences of the

different PMSs. As our review of prior research noted, we were particularly concerned to understand the development and the use of a PMS, but also with awareness of the lack of attention to matters of legitimacy in understanding the roles, preferences, usages and consequences of PMSs. Thus, concepts of retrospective sense-making of particular events were important. Secondly, as noted in our literature review, the idea that managers within *MegaCorp* see the legitimacy of PMSs in different ways became increasingly important and sensitized us to the different types of legitimacy and the different roles each played in rationalizing a PMS. Lastly, analysing our second research question became increasingly a matter of understanding how managers avoided conflict by enacting skilful exchanges with other managers. As such, theories of social skill and accommodation were drawn upon to explain what we found. As Gioia et al., suggest (2013) our data were constantly referred to in order to develop our emergent theoretical explanations and themes. In the succeeding sections, we elaborate these themes drawing upon selected quotations, but we also include Table 2, with an extensive set of statements, to support our interpretations.

Insert Table 2 about here

First Order Findings

This section provides an analysis based on the understandings offered by managers. We focus on the accounts given to us by managers within *Automata* and *Mercado*, and comments by divisional managers who introduced various PMSs within *MegaCorp* more generally.[3] The informants' perspectives are framed around verbatim quotations, and indicate the main interpretations of the influential persons and processes in the introduction and functioning of PMS practices within the two divisional units. We identified three major themes in the first-order description of the multiplicity of PMS at *MegaCorp*

Factory crises, initiatives in the MNC, and the development of three Performance Measurement Systems.

Managers highlighted their reading of the history of events associated with the introduction and development of various PMSs. They explained that the *Automata* factory's financial performance had been volatile. The factory began in the late 1970s as an automated "switchboard manufacturing business" (Commercial Manager), consisting of a manufacturing workshop and a sales office. In the 1980s, it was profitable, having secured major defence contracts, but as its major customer began to shop around for the cheapest supplier, *Automata* was considered by *MegaCorp* senior management to be under-performing, and operating with sizeable spare capacity. *Automata* diversified into subcontracting printed circuit boards (PCB), which eventually dominated production. This, however, did not meet with *MegaCorp* HQ's strategy, since it wanted *Automata* to concentrate on manufacturing, not subcontracting. Thus, *MegaCorp* reconfigured *Automata* with the mission to develop a "world centre of

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[3] We describe these informants by their corporate titles.

competence" in standard electronic products. *Automata* was to focus on high volume, low complexity products to exploit its available capacity and the expertise gained while working as a subcontractor. This decision was interpreted by staff as a major positive signal:

> "To get that factory volume was quite a big thing for us and really the story has been a roller coaster from then on." (Senior Manager, Finance, *Automata*).

During the 1990s, *Automata* became a semi-autonomous business unit (SBU). The *Automata* plant changed from "a basic metal bashing activity into a very high tech, clean environmental assembly area" (Manager, Finance), within a cost conscious strategy. *MegaCorp*'s HQ continually pressed *Automata* management to limit cost, but left middle managers to work out the strategy for doing so (Balogun and Johnson, 2005, indicate the crucial role of middle managers in forging strategy):

> "The pressure [from HQ] has always come back on the factory, 'you've got to do more, you've got to do more, you've got to do more.' And we responded…because if we hadn't responded we would have been shut down... without any question" (Factory Manager, *Automata*).

> "Along came China and we were literally told… 'guys, you either meet the cost level that China can offer, or … it could be curtains'" (Commercial Manager, *Mercado*).

To deal with these challenges, *Automata* managers had to convince HQ that they were implementing a sophisticated measurement system that would show clearly the costs for every product line so that they should "make money, or at least break even, on every product line" (Finance Manager, *Automata*).

To this end, in 1995 the Managing Director (MD) at *Automata* introduced a PMS, the European Foundation for Quality Management Business Excellence Model (EFQM henceforth). Our informants claimed that the EFQM Business Excellence Model was the earliest example of a holistic PMS used within *MegaCorp*'s business units. The MD, an engineer by background, favoured EFQM as he believed it reflected a more 'engineering' approach than rivals such as the BSC – which were viewed as more "accounting or financial in orientation" (Manager, Operations, *Automata*). *Automata* then developed their own system of measures using the underlying EFQM to reduce costs and improve quality and process (where they believed they had performance advantages over internal competitors).

To encourage 'continuous improvement', cost management was enacted through a consistent engagement with EFQM. The EFQM was frequently cited as central to the subsequent success of *Automata*. *Automata's* management began to study more closely their cost structures and where they might save costs. Pursuing a competitive cost strategy, the MD applied the weightings of the components of the EFQM and mapped relations among the elements. In short, the EFQM operationalized a causal map of the factory's operations, guiding decisions. Materials began to be out-sourced from *MegaCorp's* China operations. Quality, cost and speed of throughput initiatives were said to have shaved operational costs

(mainly overheads) and raised reliability standards as the factory aimed to achieve a 10% cost reduction per annum.

However, the factory managers continued to perceive pressure from HQ to improve further. For example, during one visit to congratulate *Automata* for their turnaround, a senior HQ manager is reported as stating to factory managers:

> "'Productivity is your life insurance.' That had more of an impact on the people sitting round the room than the previous two hours of congratulations, because he told us that you may be successful today, but, once I go away and if you stop being successful, the situation will change. So we know we can't sit back and relax… because everybody else is going to be working twice as hard to try to knock us off that position" (Senior Manager, Finance, *Automata*).

By 2000 *Automata's* managers were fully committed to using EFQM and had taken up membership of the EFQM association, which offered members feedback, assessment and inspection services. And significantly, *Automata* staff strongly attributed EFQM consultations to the success of the improvement programme.

However, in 2000 *MegaCorpUK* introduced the BSC as part of a wider *MegaCorp* initiative. While in *Automata*'s EFQM annual document, the BSC was depicted as a major component that directly linked to the plant's strategy and the annual review, this was not actually the case; once introduced, the BSC was treated by factory managers merely as a 'scorecard'. Managers at *Automata* stated that actual performance was monitored monthly by HQ against the relevant BSC target at the Process Managers' Meeting and used as a key input to the regular review of the factory by HQ.

By 2000, factory managers confirmed that two PMSs were in use. However, the movement towards 'global' PMSs within *MegaCorp* reached its apogee when *MegaCorp* announced in 2000 its 'own' PMS as a central element in its management control system: called Time/Process Improvement (henceforth 'Time') this was designed to encompass performance measurement, quality management and business improvement programmes. In September 2001, *MegaCorp*'s HQ began a rollout of Time.

Many of *Automata's* managers thought that Time was strikingly similar to EFQM. The language of the two (Customer Focus, Innovation, Competitiveness) and the linking of programmes with specific goals and measures were alike. As one manager reported, differences between the two had to be explained to staff. Nevertheless, Time was heralded by senior management as *MegaCorp*'s own performance management system, developed in-house by their management innovation team and incorporating PMS inspired by the BSC. One quality manager, from *Automata*, remarked:

> "[Time] is a [*MegaCorp*] improvement initiative, and I'll make a comparison with GE if I could. GE are pushing Six Sigma as their total business improvement [model]. [*MegaCorp*], I would suggest, are pushing [Time]. They're similar methodologies, they're all about not being satisfied with the norm and having structured approaches to improved business performance." (Quality Manager, *Automata*).

Speaking about the role of the BSC in *MegaCorp*, the Divisional Chief responsible for introducing the BSC into *MegaCorp* commented:

> "From our perspective the future is [Time] and the Balanced Scorecard is one of the tools to help us to realise the [Time] philosophy … It could be another tool …[but] nine of ten group divisions use the Balanced Scorecard for steering their own business."

This comment confirms what we understood from other interviewees: Time was disseminated globally within *MegaCorp* and constituted the core of *MegaCorp*'s management control system (MCS). An internal HQ consultant who oversaw the development of Time within *MegaCorp* HQ, claimed that the company's almost simultaneous adoption of BSC and Time was both intentional and a complementary process:

> "The Balanced Scorecard fits perfect in this [Time] philosophy … it wasn't a big deal to also bring these kind of tools in the toolbox."

Thus, the history of this MNC and various 'crises' was seen to lead to three PMSs, which managers in *Automata*, *Mercado* and *MegaCorp* had to manage.

PMSs choices and tensions within MegaCorp
Within *MegaCorp* managers' preferences for, and utilisation of, each system diverged between the HQ and the sub-unit. For example, EFQM operates as a members' association to offer and share advice, benchmark data, and consultations and assessments between companies. A motto of the EFQM is "Share what works" (EFQM: http://www.efqm.org/en/Default.aspx). The EFQM association funds an *Excellence Award*, based on a submission to the EFQM, and followed by a five-hundred-hour visit by an expert assessor team. From 1998, *Automata* prepared self-assessment documents to submit for the *Excellence Award*, and received the award on multiple occasions. As well as this recognition, considered prestigious by *Automata*'s management, the visiting assessor team from the EFQM provided an improvement report with relevant data for benchmarking from over 500 other EFQM members.

> "[That is] why EFQM is quite good actually, because we get information that's outside our industry" (Operations Manager, *Automata*).

Mercado and *Automata* managers spoke not only of their strong preference for using the EFQM, but criticized Time as *MegaCorp* "posturing" in promoting its own brand of MCS. Within Automata informants referred to HQ's drive to develop its own initiatives:

> "[Time] was first introduced as [*MegaCorp's*] business excellence program. And the significant word there was [*MegaCorp*] as all we'd done really was take EFQM out and put [Time] in. So, because [*MegaCorp*] is big enough and ugly enough to do its own thing, it did. Instead of saying, 'OK we've evaluated all the different tools around for improving the business and we think EFQM is the way to go. … *It was just typical of [MegaCorp's] arrogance to things we're using*." (Senior Operations Manager, *Automata*; emphasis added).

Moreover, *Automata* managers suggested that Time was about *MegaCorp*'s senior management playing out corporate status issues among competitor MNCs:

> "I think they [*MegaCorp's* senior managers] want that to be part of their identity, they want financial institutions to realise that they have an improvement programme." (Quality Control Manager, *Automata*).

> "Well the reason why [*MegaCorp*] never pursued EFQM as a global initiative is because the fourteen companies or heads that formed the original EFQM group wasn't represented by [*MegaCorp*]. If you were to list the top fourteen European companies I think [*MegaCorp*] would be in there. So, for some reason, why weren't they in there and maybe someone was a bit offended that [*MegaCorp*] weren't involved and thought, 'well OK we'll do our own thing'." (Senior Marketing Manager, *Mercado*).

Yet, while *Automata* won recognition for their EFQM implementation and productivity improvements from the EFQM Foundation, there was scepticism amongst senior HQ managers. One of the Time consultants was openly critical of the attention these awards seem to attract within the industry. Despite acknowledging some similarities between Time and EFQM, *MegaCorp*'s HQ managers stated that EFQM was more about prizes than practical use, and that its Awards made it confusing and a distraction:

> "You may compare [Time] with the EFQM... there are similar areas yeah, and some of our groups use it [EFQM]... And what you have of course is that the people are really focused on some points, getting some scores... a lot of activities were focused on this award issue." (Divisional Chief, *MegaCorp*)

Automata's continued success as a production plant, recognized within *MegaCorp*, was not considered by HQ to be related to its use of EFQM. This apparent lack of credit and legitimation, which is defensible also in that it is difficult to attach definitively performance improvements to any model, did not play well with *Automata*'s managers and their attachment to and identification with the EFQM.

Given the openly acknowledged tension between the local preferences for EFQM and the 'global' HQ's implementation of Time and the BSC, we now look to how the staff of *MegaCorp* at various levels absorbed, rationalised and managed the use of different PMSs.

Acknowledging and resolving Competing PMSs
In the managers' narratives, both at HQ and local level, there was a common discourse of 'overlap' in absorbing the existence of EFQM, Time and the BSC. A common rationale was not that each system was necessarily different (but "complementary") to the others, but that the use of one PMS was sufficiently like another, such that quick 'translation' was possible. For some managers, this duplication was unnecessary:

> "The results side of the EFQM model does really measure the effectiveness of what's on the left hand side [enablers], and the BSC is measuring the effectiveness at the higher level of the organization. The two are the same." (Manufacturing Manager, *Automata*).

Many viewed the BSC and EFQM as harmonious, but accorded greater emphasis to EFQM:

> "The Balanced Scorecard is just a name for how you decide to monitor and, you know, just a cockpit chart. The Balanced Scorecard in itself I don't perceive… as the under-arching [principle], you know it's the EFQM model that we're following as the under-pinning, under-arching principle."(Business Manager, *Mercado*).

Automata managers thus treated the BSC as a checklist for results, but without using any weighting for the four quadrants. In contrast, EFQM weightings and criteria were followed by *Automata's* management in a thoroughgoing manner: they explicitly weighted the five types of enablers and the four types of results.[4]

Among production management, there was awareness of the BSC, though in most cases that knowledge was only pertinent to specific KPIs against which they were held accountable and which were also parts of the BSC, as well as the EFQM. The KPIs identified as key to the four BSC perspectives were also mostly the same KPIs routinely used for the EFQM 'Key Results'. Hence, managers in *Automata* had little difficulty in working with both systems and reformatting information from one *Automata* information template (e.g., EFQM) to another (the BSC) for meetings with HQ. These common KPIs were also the basis for the division's incentive compensation scheme for management. Accordingly, the common view at the factory level was that the BSC was just a scorecard and largely redundant:

> Researcher: "I mean, so why would anybody look at the [BSC]?"
>
> Shift Leader: "They wouldn't, they wouldn't… nobody really spends a lot of time on it, [and] they [*Automata* management] don't seem to spend a lot of time on it."

Nevertheless, while the BSC and the EFQM were regarded as "overlapping", for *Automata* managers, the relationship of the BSC was framed in a subsidiary relationship to the EFQM: the BSC slotted into the Results side of the EFQM. While the BSC and EFQM were considered complementary, the EFQM was the more consequential. In contrast, Time was rationalized as being the same as EFQM:

> "I had somebody in here yesterday saying, 'explain this [Time] and EFQM thing because we've got two systems'…. People get a bit hung up on it by saying 'should we do an EFQM or should we be doing [Time]'? And really if you're doing EFQM, you're doing [Time]." (Commercial Manager, *Mercado*).

An assumption of equivalence between Time (which one manager described as "*MegaCorp*'s own EFQM") and EFQM shifted to statements that by using EFQM, one could be simultaneously using Time. These quotations suggest that working with either the BSC and EFQM, or Time and EFQM was presumed to lead to the same actions and results; we

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[4] More specifically, the enablers were inspired leadership (weighted 10%); incorporation of quality values and concepts (8%); releasing employees' full potential (9%); providing necessary resources (9%); and reviewing and revising processes (14%). The results set were enhanced satisfaction of employees (9%); customer satisfaction (20%); better impact on society (6%); and improved business results (15%). (Ezzamel, Willmott and Worthington, 2004, describe a similar scheme).

examine this issue in more detail in our second order analysis. Some differences were recognized, but for the managers working with EFQM they were considered minor:

> "[Time] …has some structure to it, some toolsets, some things that you can use to help you identify opportunities for improvement. And that's where it starts overlapping a little bit with EFQM 'cos EFQM has got … that sort of stuff as well." (HR Manager, *Mercado*).

However, the narrative offered by managers, suggesting that EFQM, BSC and Time were the same, was challenged in two instances. First, *MegaCorp* HQ was viewed by local managers to be 'flexing its muscle' by emphasizing greater compliance and homogeneity of practice across the organization worldwide. For example, in a 2007 drive to ensure that all local units embrace Time:

> "[Things] are changing now and [Time] is being mandated by [the] UK CEO. All business improvement activities in [*MegaCorp*] in the UK across all activities have to be branded as [Time]" (HR Manager, *Mercado*).

Automata's managers spoke with concern about how local units were being "pressured" to submit periodic assessment reports on their objectives through the Time initiative. To reinforce this focus, the *MegaCorp*'s in-house magazine published regular articles on Time so that: "you can see it starting to permeate" (Marketing Manager, *Mercado*). The documents produced by *MegaCorp* encouraged the units to comply with Time:

> "We felt that we needed to push processes a little bit more for a number of reasons. One, we can improve our scores on [EFQM] excellence assessments, two we get more people talking about processes, three we tend to push towards compliance with unwritten [TIME] edicts, you know their good practices, and four, the requirement of ISO9000 2000 was one where you needed transparency of processes" (Manufacturing Manager, *Automata*).

> "Again you can see that's also a little bit of political pressure …. It would have been subtly pushing us towards that conformity, you know the e-mail that invites you but doesn't say you *shall* go." (Quality Manager, *Automata*)

Another concern raised by local units in the face of the drive by the parent to secure compliance is the loss of local autonomy, flexibility and independence:

> "Once we [harmonize] what we've got is what we've got, and if we want to make a change then ten other countries have got to agree, it's a bit like the EU. So it's a worrying thought really, 'cos you know we'll have lost a lot of the flexibility." (Sales Manager, *Mercado*).

HQ-based initiatives, such as Time, and to a lesser extent the BSC, were feared as drawing remote sites in the direction of international HQ. If EFQM, Time and BSC were believed to be equivalent, our interviewees would not express these fears.

While asserting their commitment to the EFQM, factory managers' spoke of avoiding antagonising HQ by not openly discussing it with HQ. When reports were presented to Divisional Chiefs and HQ, no references to EFQM criteria or models were mentioned as part of the organizational etiquette of handling tensions:

> "when some of our people go to [parent HQ] and they get involved in these types of discussion they keep it pretty low key, the EFQM activity in the UK, simply because in [HQ] it's not necessarily smiled upon as an improvement tool. They would rather talk about [Time] than EFQM." (Senior Quality Manager, *Automata*)

Local managers meeting with HQ would try to avoid explicit mention of their use of EFQM, playing the game of speaking the language of Time that HQ preferred to hear:

> "I think when we've had very senior heads [here] we've made sure that we've got our [Time] badges on, and as soft [weak] as that [is], I mean we're playing the game." (Operations Manager, *Automata*).

What emerges from these examples is a situation where parent initiatives such as Time are viewed as a corporate badge at local levels. Yet, *Automata* managers are also able to both interact meaningfully and credibly with the senior managers in *MegaCorp*, and keep faith with their own commitment to EFQM by hiding its role from their discussions with senior management ("playing the game").

Second Order Analysis

In this section, we draw upon the First Order findings detailed above to construct a theoretical (second-order) analysis. Our aim is to draw out the conceptual issues beyond the practices of the immediate MNC we studied that are likely to be relevant to further study of PMSs in other MNCs. More specifically, we draw upon our second-order interpretations in order to address our two key research questions:

1. Through what processes have multiple performance measurement systems arisen within *MegaCorp*?
2. How and why do the managers within *MegaCorp*'s sub-units persist with and tolerate multiple performance measurement systems?

Our second-order analysis has three major elements drawn from our theoretical framing, each of which connects to the senses that managers and other organizational actors made of their situation and their experiences within differing units within *MegaCorp*. The three dimensions are:

Rationalising PMSs: events and the retrospective sense-making of multiple PMSs, which emphasizes the role of identity, context and retrospection in the managers' accounts (sense-making) of emergence of PMSs, and their preferences for particular systems.

The diverse legitimating roles of the PMSs: the legitimacy of 'sensible' PMSs, which discusses how PMSs were perceived and valued differently among the managers of *Automata*, *Mercado*, and HQ.

Maintaining multiple PMSs: accommodation and social skill, which examines the social skills involved in maintaining several ostensibly duplicating PMSs operating within different units of *MegaCorp*.

Insert Table 3 about here

We highlight the key Second Order findings and concepts, and their relationship to the First Order findings in Table 3. Whilst these dimensions are all connected to sense-making processes, as we will elaborate below, the first two pertain particularly to the first of our Research Questions. The third, social skill, mainly addresses our second Research Question.

Events and the retrospective sense-making of Multiple PMSs: Rationalising Performance Measurement Systems

Weick (1995: 18) noted that "How can I know what I think until I see what I say", emphasizing the retrospective and linguistic nature of much sense-making. The nature of narrations for the multiple PMSs outlined in our first order analysis emphasizes the story-telling of events within *MegaCorp*.

Senior management of *MegaCorp* had declared *Automata* unviable in the 1990s unless production cost became competitive and manufacture was 'world-class'. *Automata*'s response to this challenge, followed quickly by *Mercado*, was to adopt a PMS founded upon the EFQM. The nine criteria in this model became a guiding frame within which the factory staff constructed KPIs and linked them in a causal way to cost and process improvement criteria (one type of use identified by Speckbacher et al., 2003). Since these events, *Automata* and *Mercado's* managers attributed to the EFQM the continuing existence and success of factories threatened with closure by *MegaCorp* HQ. The main issue for *Automata* and *Mercado* is that the sense-making and steering of the factory was mediated by the EFQM PMS, and, from this point, EFQM has been retrospectively associated with the "turn-around" of the units.

However, while the retrospective character of sense-making of past events helps us to understand why EFQM was valued within *Automata* and *Mercado*, the choice of a PMS within *Automata* highlights two further aspects of sense-making. First, there was the role of context (Weick, 2009: 13-15): perceived pressures from HQ for cost reductions were a plausible context for acting to know more about operational cost structures and how they might be measured. Without this sense of a perceived imperative, constructing and stabilising a PMS might have lacked stimulus. Weick, Sutcliffe and Obstfeld (2005) argue that sense-making is often triggered in times of ambiguity and crisis, and for our managers, *Automata* was in crisis and the UK operations worried about their continued viability.

Second, we note that the *Automata*'s managers opted for a PMS that reflected their sense of professional identity. Alternative PMSs, such as the BSC, were downplayed in favour of EFQM that was understood to reflect an engineering approach to production, quality management and improvement. The BSC within the sub-units was used as a 'scorecard' of KPIs (Speckbacher et al., 2003). EFQM fitted and reflected the identities of factory managers

whose professional background (reconfiguring productive processes so as to be "World Class") was in product design and engineering, and whose expertise was considered by them to be leveraged by the EFQM, rather than the BSC (Wouters and Wilderom, 2008). Moreover, while competitive and cost pressures continued, the EFQM is, managers noted, embedded in the routines and understandings of causal relations in the factory. In addition, factory staff thought that they benefitted significantly from the 'visits' by EFQM assessors, and the benchmarking data they derived from such visits. This resonates with Abolafia (2010) who found that manager's sense-making was tied to their operating model, providing a sense of certainty and sustaining their identity.

The development of BSC and Time reflect different trajectories, ones which have then had to confront the cognitive *commitment* that managers within *Automata* and *Mercado* have towards the EFQM. We explore this issue further in the next section, but here, we highlight that *MegaCorp* HQ installed Time through centralised initiatives that divisions and factories were expected to follow. Thus, for most sub-unit interviewees, the BSC and Time reflected 'globalizing' tendencies in PMS implementation that had little connection to the specific historical and contemporary events and experiences of *Automata* and *Mercado*. To the managers of *Mercado* and *Automata*, Time and the BSC offer little additional to their own PMS practices that derived from the EFQM model and their understanding of the history of *Automata*. *MegaCorp*'s desire to develop their own system provoked antipathy from *Automata* staff that had already been using EFQM for almost five years, with apparent success (as judged by the EFQM awards). The continuing commitment of these managers to EFQM is the outcome of a shared sub-unit experience, founded and reinforced by a narrative highlighting how a struggling 'factory' became a successful semi-autonomous business within *MegaCorp*.

The complex legitimacies of 'sensible' PMSs: Diverse Legitimating roles of the Performance Measurement Systems

As much as our interviewees stressed the commitments, embeddedness and differing historical developments of EFQM, the BSC and Time, they were also attached to the notion that organizational units and sub-units 'should' have some form of PMS. While our study is centrally concerned with the co-existence of several PMSs, it is clear that our respondents considered it *plausible*, *desirable* and *what others expected*, that *MegaCorp* should have PMSs. However, we want to highlight how important differing conceptions of legitimacy were to the managers in their sense-making. Legitimacy was not merely one category within which sense-making could be accomplished. With regard to our first Research Question, PMS also had different *kinds* of perceived legitimacy to the managers within *MegaCorp* HQ (Suchman, 1995) in accounting for their sense-making, and judging the expectations of others.

In the first instance, managers in *Automata* and *Mercado* held different conceptions of what is instrumental to their superiors in divisional HQ. Compared to *MegaCorp*'s global in-house Time system, EFQM is European and was considered more relevant to the European context of the UK's sub-units. Whether or not EFQM was central to the improvements in the productivity of *Automata*, the claim was plausible. Moreover, appeals to *moral* legitimacy were forcibly expressed in terms of external authorities' approval of the factories' EFQM. Managers' efforts and successes seemed to be validated, not only by the cost savings and productivity gains achieved (*instrumental* legitimacy), but also by external bodies' benchmarks and information derived from assessment visits. Issues of *cognitive* legitimacy presented themselves in terms of the taken-for-granted belief in the superiority of an 'engineering' (EFQM) rather than a financially based (BSC) PMS. This suggests a sense of credibility and identity with a PMS that went beyond the perceived instrumental benefits. The coupling of instrumental, moral and cognitive legitimation may be central to the persistence and loyalty to a PMS or other MCS.

The emergence of Time expressed a belief of HQ's senior management that a large MNC needs to have its own, 'proper' PMS, an emblem of *MegaCorp*'s importance as a global MNC.[5] They perceived Time as providing *moral* legitimacy for the MNC by providing something 'that others expect' (Weick, 2009: 31), in this case internal documents and comments at HQ suggest managers believed external commentators and financial institutions valued PMS systems developed by well-known MNCs. Combined with *MegaCorp*'s adoption of EVA in the 1990s, and its listing on the NY Stock Exchange, Time also signalled to internal and external audiences that it was moving beyond its traditional engineering approach to management, and adopting a more 'shareholder-value' orientation.

Moves to make *MegaCorp* more orientated to capital markets and an ideology of shareholder value also created tensions with the MNCs long-standing tradition of manufacturing and engineering excellence. Similarly, issues of professional identity, especially differences between the emphases of accounting and engineering knowledge, underlay some of the responses to the different PMSs. For *Automata* staff, the adoption of the BSC seemed more like a senior management fad (Abrahamson, 1991, 1996). This label of 'fad' undermines the various forms of legitimacy that such innovations can draw on as part of managers' sense-making of their actions, resistances and preferences (Cooper, Qu and Ezzamel, 2017).

Managers held contrasting judgments of the legitimacy of PMSs deployed outside of their sub-unit. At HQ, the internal consultants that developed Time were openly sceptical about the EFQM model, its deployment in divisional units and the value of awards for excellence. While the BSC also has awards, its awards were not an object of criticism because the introduction of the BSC was sanctioned by *MegaCorp*; indeed, another Division of

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[5] HQ Managers often referenced Six Sigma as the benchmark against which their corporation's PMS should be considered.

MegaCorp nominated itself and was awarded membership in the BSC's Hall of Fame! Managers within *Automata* and *Mercado* were sensitive about perceived hostility towards EFQM and their pursuit of awards. At the same time, unit managers expressed scepticism about the *MegaCorp*'s "arrogance" and motives in developing and promoting Time as its own EFQM. *Automata*'s managers' concerns were that HQ were simply playing MNC 'politics', legitimating themselves in differentiating Time from EFQM, despite the commonalities. Similarly, the decision of *MegaCorp* to reject EFQM was attributed within *Automata* and *Mercado* to the MNC's lack of association with the formation of the EFQM Foundation.

To return to research question one, our analysis suggests that legitimating various PMSs to different audiences and concerns also explains the adoption and persistence of different PMSs at different times and for different units of *MegaCorp*. In short, beyond issues of what others considered plausible, we want to emphasize the complex of types of legitimacy that were in play in adopting a PMS and preferring one over another. Legitimating for different audiences also addresses why managers tolerate multiple measures. We address how managers accommodate different systems in the next sub-section.

Accommodation and Social Skill: Maintaining multiple PMSs

We noted in our first order analysis, tensions occurred between HQ and *Automata*/*Mercado* managers on PMSs practices, and the multiple ways in which actors 'made sense' of their situations in order to manage and efface intra-organizational conflict. Our second Research Question asks how managers persist with and tolerate multiple performance measurement systems, and our second-order analysis develops and expands upon a theory of sense-making that underlies this "tolerance". Central to this development are the concepts of accommodation and social skill.

In place of the conflict that might be expected to arise where preferences among organizational actors differ, we stress the processes that served to maintain the multiple PMSs and obscure conflict. Busco and Quattrone also explore how managers react to changes and ambiguities in one PMS, arguing that "the BSC as a motivating ritual that is sustained by instilling hope and belief in the users" (2015: 1257). Yet while they emphasize the recurrent ritualizing aspect of managers' interactions with one system, what we add is the skill and sense making involved in moving between PMS.

We emphasize two aspects of a process that occurred within *MegaCorp* that we suggest help to account for the persistence and toleration of multiple PMS. First, we highlight the *accommodation* of multiple PMSs in terms of a cognitive framing that organizational actors brought to the existence of multiple PMSs. Accommodation, a concept within the theory of communicative interaction, refers to the ways in which parties adapt their actions in accordance to the language and behaviours of others (Giles, Coupland and Coupland, 1991; Coupland, Coupland, Giles and Henwood, 1988). As Oliver (1991) and Etherington and

Richardson (1994) note, there are many ways that managers might respond to pressures. What we suggest, however, is that multiple forms of framing (that is, the cognitive process wherein organizational actors experience certain situations and/or relationships as meaningful) among management mediated the differences in PMS preferences, practices and legitimacy perceptions. In our study diverging assessments of the three PMSs (EFQM, BSC and Time) were how the different managers in different organizational locations *accommodated* the continuing co-existence and relationships between the three. Although we have focused upon accommodation by the managers of local units within *MegaCorp*, it is worth noting that global HQ managers of this MNC also exercised their social skills in not being insistent of local units compliance with its global initiatives as long as they delivered bottom line results.

Second, we emphasize the (two-way) *social skill* deployed in the interactions between the sub-units, *Automata* and *Mercado*, and *MegaCorp* HQ. The continuation of multiple PMSs was not only a product of an accommodation that brought multiple framings of the imagined relationships between all three systems. Yet, it was also a product of skilled behaviour of the *interactions* between the HQ and the sub-units. Following Fligstein and McAdam (2012), we call this skilled behaviour the deployment of *social skill*, stressing a particular kind of agency in maintaining a different set of practices, in this case the PMSs within *MegaCorp*.

A key element of the accommodation resides within the cognitive framings of "overlapping KPIs". 'Overlap' was used to give an account of the relationships between different PMSs in several contrasting ways. For example, it was frequently remarked by *Automata* and *Mercado* managers that BSC could be literally "framed" by the EFQM system: the BSC was "really" the Results side of the EFQM. Another example of such cognitive framing was the pervasive idea that *MegaCorp*'s Time system was simply the EFQM Framework relabelled by HQ as Time. In this formulation, managers constructed and articulated the role of Time by asserting its equivalence with EFQM - 'if you're doing EFQM, you're doing Time'. Sense-making here effaces potential conflict.

We also noted examples within *MegaCorp*'s HQ where the use of EFQM was expressed as consistent with Time's philosophy. For example, the idea that EFQM and Time could be used together was accommodated by the view that Time was a structure within which many different 'tools', such as EFQM and the BSC, could be utilized[6]. As one senior manager argued, "the future is Time, but the BSC…can realise its philosophy". In contrasting, and even contradictory, ways different managers made sense of a hierarchy of imagined relationships between different PMSs.

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[6] Table 2 shows various ways in which the term 'tool' could be used to account for one PMS's relationship to another: the BSC seen as a tool within an overarching EFQM, or EFQM and the BSC as tools within a Time framework.

Such framings of the co-existence of three PMSs as sensible, underwrote the absence of friction within *MegaCorp*, and are themselves instances of social skill: rationalising each other's PMSs seems to have motivated co-operation with others within *MegaCorp* (Goffman, 1959). The concept of social skill emphasises that 'agency', with respect to 'responding' or reacting to institutional or organizational 'pressures', is a learned skill. Furthermore, social skill, *qua* skill, helps to highlight that the social skills that individuals can use to manage potential organizational tensions or affect changes to established organizational routines is unlikely to be equally distributed among social actors.

Fligstein & McAdam have argued that "[S]ocial skill may be a property of individuals, but the use of social skill is heavily constrained by the individual's position within the field in question." (2012: 48). As the organizational hierarchy structures the authority relationships between HQ management and divisional sub-unit, the *Automata* and *Mercado* managers were sensitive to their context and relations of authority. Accordingly, we draw out another dimension to the enactment of social skill: the social skill of *Automata* and *Mercado* managers in their interactions with *MegaCorp*: "the ability of those managers to empathetically understand situations and what others need and want and to figure out how to use this information to get what you want" (Fligstein and McAdam, 2012: 178).[7] Our emphasis upon social skill highlights the skilful, strategic behaviours in exchanges between the managers within *MegaCorp*. In the context of our study we draw attention to how divisional and head office managers frame and articulate each other's usage of the differing PMS. And we explore how in direct interaction between managers one party accommodates their language explicitly to acknowledge the social position of the other.

For *Automata's* managers it was important not to antagonise senior management with their open use of the EFQM in their *interaction* with HQ. In this context, the sense that it was important to recognise the choice of others structured the interactions between the sub-units and the HQ management. As we noted in the first-order findings, among the management of *Automata* it was considered appropriate to suppress mention about EFQM when unit managers discussed measurement and performance issues with HQ officials. Open reference to EFQM was occluded in preference to a presentation of production and sales activities in terms of the Time framework.

As one manager expressed it, interacting with HQ was often a question of "putting on your Time hat". In this respect, we see how the enactment of social skill in the conduct of *interaction* was accompanied by a strategy of an upward *accommodation* by subordinates in a convergent language with HQ (Giles and Coupland, 1991: 20). As the KPIs of Time, EFQM and the BSC were considered common, measures of performance could be expressed by one party in the preferred 'PMS idiom' of another. In this regard, we suggest that *social skill* in the conduct of organizational interaction is conducted across units or between centre and

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[7] This is not to minimize the social skill required of other managers within *MegaCorp* to understand and operationalize the demands, ideas and pressures of others within and external to the firm (see AUTHORS, 2013)

periphery sites through various *accommodation* strategies - in ways that are similar to how people modify their language, accent and vocabulary when communicating across social spaces. Accommodation demonstrates the ways in which organizational, social and contextual differences between interlocutors are handled skillfully during interactions by altering their language, vocabulary and enunciation (Giles et al, 1991). As the primacy of particular PMSs exists in distinct organizational spaces within *MegaCorp,* so the contexts of cross-communication are considered by skilled organizational actors to communicate across those spaces.

So how and why do the managers within *MegaCorp* persist with and tolerate multiple performance measurement systems? The summary answer is that through social skill and accommodation an accord is reached between the advocates of each PMS. The cognitive framing of PMS interrelations, and the skilful management of interactions, maintains the diversity of PMS. Thus, we suggest, the "conflicts" that might arise between management preferences for particular PMSs are diffused (although never completely) by their *accommodation* and the enactment of *social skills* resulting in the continuing toleration of differences between the proponents and users of the three PMSs within *MegaCorp*.

Conclusion

In this final section, we consolidate the conceptual contribution of our analysis, while acknowledging some of its weaknesses. This is followed by more general comments upon the literature studying PMS. Before doing so we summarize our specific responses to our two research questions. First, we suggest multiple PMSs arise from the interplay of local historical understandings and legitimation strategies within a context of the heterogeneity faced by MNCs. Our response to the second research question focusses partly on diverse legitimation pressures but also on the accommodation and the social skill of managers in stressing conformity and obscuring conflict in the face of multiple PMS.

Our initial motivation for this paper related to the problem of understanding PMS multiplicity in a MNC. Few previous papers have explored multiplicity among PMSs, nor the MNC context for the PMS (but on the latter see Quattrone and Hopper, 2005; Busco et al., 2008; Cruz et al., 2009, 2011; Cooper and Ezzamel, 2013). We found that the variety of PMSs within our MNC *MegaCorp* - deriving from diverse perceived efficiency and legitimacy claims - suggests that the idea that one PMS is diffused within an MNC organization and replaces another is likely to be misplaced (Cooper et al, 1996; Kostova et al, 2008; Cruz et al., 2011).

Historical experiences and understandings, what we refer to as the retrospective sense-making, structured the preferences and maintenance of different PMSs. Here we are stressing the role of local and informal historical narratives, rather than an official account. We also see path dependence as founded not merely upon 'events', but upon how such 'events' are

understood and acted upon (Mahoney, 2000; Djelic and Quack, 2007). Our study highlights how actors bring 'themselves', interpret and understand the history of different change initiatives, a history that has in turn reinforced that 'self'. Willingness to shift PMS from or to EFQM, BSC or Time was influenced by the historical narratives and accomplishments. Thus, one response to research question one rests upon the differing interpretations made about historical experiences and the sense-making of different units within the MNC.

Divisions and units experience both local and global imperatives in the legitimation of the management practices, such as performance measurement, that they adopt (Kristensen and Zeitlin, 2005). This multiplicity and variety in influences, institutions and historical understandings is central to the trajectory and persistence of PMSs. Cooper et al. (1996) emphasized sedimentation to explain the existence and persistence of different control approaches in a legal firm, and this metaphor captures the PMSs in our study. The accounts our managers offered of the present (sense-making of past *events* and *choices*) are an outcome of who people are (*identity*), where they are and have been located (*context*), and what they believe others will consider appropriate and plausible. Our research suggests that there are important features of MNCs that affect how PMSs develop and are engaged with. For example, our Second Order analysis highlights that PMSs were significantly impacted by issues of occupational identity (Wouters and Wilderom, 2008), organizational and social interactions, the status of MNCs, and local histories.

Research on the diffusion and the functionality of management practices in organizations has highlighted the significance of legitimation. Our case highlights strands of legitimacy that are underpinned by the status and identity of a MNC. First, for example the BSC within an MNC is a source of *moral* legitimation, for it emphasizes the robustness of a management practice that becomes identified with 'good' management and corporate identity (cf., Busco and Quattrone, 2015). Second, the 'in-house' development and use of a PMS, such as Time, can be an important source of status affirmation and legitimacy to management: PMS legitimacy can be judged not only by conformity to established brands, such as BSC, EFQM, EVA or Six Sigma, but might also reside in the capacity of an MNC to develop its own 'brand'. As Deephouse (1996) suggests, perceived needs for legitimation may not be served by pressures to copy fashions. The accounts from our interviewees suggest that *MegaCorp* senior managers perceived that legitimacy (and status) resided in *MegaCorp* having its own bespoke PMS. As such, the connection, commonly made (Deephouse, 1996), between isomorphism and legitimacy does not apply.

Our final contribution returns to the question of PMS multiplicity in MNC practices. Within institutional theory there has been a long-standing concern with the degree of coupling (loose or de-coupling) that organizations display in the relations between their formal control systems and the practices that constitute organizational control. We argue for closer examination of the micro-foundational processes of managers' sense-making in organizations by focusing upon the roles of *accommodation* and *social skill* in maintaining

29

multiple PMSs and in avoiding organizational conflicts. Our analysis indicates that the sense-making of managers enabled them to efface their opposition to central PMS initiatives by skilfully rationalizing similarities and obscuring their PMS preferences. In this respect, following Fligstein and McAdam (2012), we argue that the question of agency in the face of competing imperatives can be usefully recast as linked matters of sense-making, accommodation and social skill. As Fligstein and McAdam (2012) further stress, this also has significant implications for models of rational (bounded or otherwise) choice more generally. To that extent, accommodation scenarios and social skill deflects the imposition of corporate in-house PMSs to distance the global from the local (Cruz et al., 2011; Kristensen and Zeitlin, 2004). Quattrone and Hopper (2005) point out, however, that unit responses to the same system can lead to different effects.

This points to two limitations of our study. Although Fligstein and McAdam (2012) offer an analysis of skill that is social and embedded in specific fields, our analysis of social skill and accommodation is more social psychological. Greater attention to the embeddedness of understandings is beyond the scope of the present paper. Second, our study examined three PMS brands that could reasonably be reconciled to one another. It would be instructive to examining how accommodation might be impacted by the claims and attributes of quite different forms of PMS (Mouritsen, 1998).

Finally, we offer some observations on the connections between our research, past work and future possibilities. The process of development and the usages of the PMSs in our study were significant factors in the outcome. There is now a strong consensus on the importance of employee involvement in the design, development and use of PMSs. In our study, commitment to the EFQM was related to the autonomy that the sub-unit had in the development of the PMS (Henri, 2006a; Butler et al., 1997), in contrast to the frictions that can arise from top-down implementations (Malina and Selto, 2001). Wouters and Wilderom's (2008) observations on the value of employees' professional commitment to how the *enabling* PMS is designed are also seen in how our manager-engineers sided with their EFQM, rather than their view of an accounting-oriented BSC.

We also noted familiar patterns of how the preferences among the PMSs reflected usage. The BSC in *MegaCorp* was little more than a scorecard incorporating significant KPIs against which the sub-units' performance was evaluated and to which incentives are attached. In this way the BSC was seen as a control device, rather than an 'improving' (or 'learning') device (Johnston et al., 2002). The EFQM, in contrast, was developed with causal maps and weightings among its KPIs, encouraging dialogue and assessment of strategies. This tends to support a view of the value of an *interactive* use of PMS (EFQM in our case) over a *diagnostic* (BSC at *MegaCorp*) (Simons, 1994; Henri, 2006b). Moreover, as well as the different uses to which the PMSs Time, EFQM and BSC were deployed by sub-units, we see something of the overlapping, but still loosely coupled, manner in which PMSs can operate as part of a firm's MCS. Yet we must also acknowledge that our study was limited by our

differential access to HQ and sub-units. Future research should attempt to learn more about senior management's sense- making, relating to historical understanding, perceptions of legitimation needs and strategies and social skills in accommodating difference.

Finally, as Mundy (2010) has noted, PMSs can serve more than one role within an overall control package, and our case study of multiple PMSs suggests how complex the connections between PMSs can be. However, while the concept of a 'package' has been used to suggest that a PMS can be understood in the context of an organization's other control devices (Malmi and Brown, 2008), we argue that as a guiding metaphor for further research, the concept of a package may be unhelpful. Rather, the MCS, and the PMS within it, might be better conceived as a set of devices that can connect directly (*system*), connect intermittently (*loose coupling*), overlap (*redundancy*) and be drawn upon differentially by different organizational actors (*bricolage*) for purposes substantive (*decision making/control/learning*) and symbolic (*legitimacy*), and the result of either intended or emergent strategies. This multiplicity of connections and inter-relations offers a richer vocabulary and set of concepts than those offered by the metaphor of 'package'.

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Table 1:
Interviewees

Division/Unit	Interviewee Role	Dates; No. of Interviews
Mercado (11 interviews)		
1	Head of Personnel	July 2007: 1
2	Senior Marketing Manager	July 2007: 1
3	General Manager	July 2007: 1
4	Business Manager	July 2007: 1
5	Business Manager	July 2007: 1
6	Sales Manager	July 2007: 1
7	Sales Manager	July 2007: 1
8	General Manager	July 2007: 1
9	Divisional Financial Controller	July 2007: 1
10	CI Manager	July 2007: 2
Automata (40 interviews)		
11	Group Leader	July 2007: 1
12	Shift Leader	July 2007: 1
13	Design Engineer	November 2003: 1
14	Team Leader	June 2004: 4
15	Development Manager	November 2003; July 2007: 2
16	Commercial Manager	July 2007 (3); December 2003 (1): 4
17	Test Manager	December 2003: 1
18	Managing Director	July 2007: 2
19	Team Leader	June 2004: 1
20	Engineering Manager	October 2003: 1
21	Customer Service Manager	October 2003: 1
22	Shift Leader	July 2007: 1
23	Group Leader	July 2007: 1
24	Team Leader	October 2003: 1
25	Group Leader	December 2003: 1
26	Purchasing Manager	July 2007: 1
27	Business Analyst	December 2003: 1
28	Manufacturing Manager	July 2007: 2
29	Product Manager	January 2005: 1
30	Group Personnel Manager	July 2007; December 2003: 2
31	Quality Manager	December 2003: 1
32	Senior Quality Manager	June 2004; October 2003; July 2007; May 2006: 5

33	Manufacturing Manager	October 2003; June 2004; July 2007: 4
MegaCorp HQ (10 interviews)		
34	Divisional Project Team Leader: BSC Development and TIME	December 2006: 1
35	Divisional Head of TIME	December 2006: 1
	Divisional Head of TIME	April 2007: 1
36	Operational Excellence Manager [TIME]	December 2004: 1
37	Internal Consultant [BSC]	December 2006: 1
38	Divisional Commercial Manager	April 2007: 1
39	Business Excellence Manager	April 2007: 1
40	Factory General Manager	April 2007: 1
41	Factory Manager	April 2007: 1
42	Divisional Project Team Leader: BSC Development and TIME	April 2007: 1

Total number of interviews: 61
Total number of interviewees: 42

Table 2- Table of representative quotations

Representative Second Order Data for 1st Order Themes	
1st Order Themes	Representative First Order Data
Factory crises, initiatives in the MNC, and the development of three Performance Measurement Systems	
a) Factory crises	"If we hadn't have responded we would have been shut down and that business would have been moved to Germany, without any question whatsoever."
	"Along came China and we were literally told… 'guys, you either meet the cost level that China can offer or you know it could be curtains.'"
	"the EFQM has been the initiator, it identified where we were weak and it is also the tool to enable us to monitor how much progress or how little progress we are making in all of these various segments based upon a standard level of measurement, benchmarking."
	"Whatever gains that we were making in the manufacturing side tended to be passed on to the sales with a view of growing market share. So the pressure on manufacturing is always there, you earn it one year, you give it away at the start of the next year, and you have to start again."
	"People were concerned that they potentially could lose their jobs, and unless we changed and we changed the way that we did things and we looked more rationally at processes and the way that we work together as group, little things like that.. so consequently we've gone through various things like EFQM where EFQM now is a very important part of our business."
b) Local sense-making: PMS - EFQM	"The EFQM is you know the wide ranging umbrella that you're within, the balanced scorecard is just a name for how you decide to monitor and you know just a cockpit chart. The balanced scorecard in itself I don't perceive, and I'm certainly not an expert on it, as the under-arching, you know it's the EFQM model that we're following as the under-pinning, under-arching principle that we're following."
	"The EFQM is an ideal framework that allows you to assess yourself as a business and compare yourself then ultimately to either competition."
	"[That is] why EFQM is quite good actually, because we get information that's outside our industry"
	"EFQM now is a very important part of our business. It's a way of at least us benchmarking ourselves by some external assessors as to how well we're improving in certain areas."
	"In terms of our business model and the way we try to identify ongoing opportunities for improvement we use the EFQM for that, the process of self- assessment against the nine criteria and identifying things we could do better."
	"The EFQM model is a common-sense model for improving your output, and I think we work within the guidelines of that, and people say oh it's so technical, but it isn't actually, if you look at it and look at its component parts it's simple to understand and you know common-sense."
	"They [EFQM inspectors] will come on site for one week and turn us over, they really enthuse everybody, everyone on site, very systematic approach to what they'll be doing there and they will us a score against the business excellence model with it out of a thousand."
	"We use the EFQM model and self assessment process to identify opportunities for improvement in the organisation."
	"Our BSC doesn't really mean an awful lot to most people…"
	"When it gets down to this level what we often find and we've found over the years is that things that come from Germany sound great, read it, it all makes a lot of sense, but in practical terms it always kind of stops a few steps short of reality and then we have to fill that gap with something."
	"And what we've filled the gap with over time is things like EFQM."

43

c) Global Sense-making: Improvement Systems-Time	"From our perspective the future is Time, and the balanced scorecard is one of the tools to help us to realise the Time philosophy … it could be another tool, there is some more. …[but] nine of ten group divisions use the balanced scorecard for steering their own business."
	"[TIME] is a [*MegaCorp*] improvement initiative, and I'll make a comparison with GE if I could. GE are pushing Six Sigma as their total business improvement [model]. [*MegaCorp*] I would suggest are pushing [Time]. They're similar methodologies; they're all about not being satisfied with the norm and having structured approaches to improved business performance."
	"I think what *MegaCorp* found more there were so many initiatives to reduce costs, improve processes, stimulate sales that they created this Top Plus of the overall banner for it to say this is best practice." Researcher: "I mean, so why would anybody look at the [BSC]?" Interviewee: "They wouldn't, they wouldn't… But still nobody really spends a lot of time on it, they [Management in Automata] don't seem to spend a lot of time on it… ."
	" I think about five months ago I had to actually go onto the Time website to remind myself what they were trying to get at, and it's OK having a website that people can refer to, but unless you're talking it all the time you forget."
	"We've got a [Time] toolset, and these were meant to be tools that you used to try and tease out the improvement opportunities. But it just didn't translate very well to English, and so I looked at them and just remember coming away totally confused by what the hell they were supposed to be used for… It lost something in the translation, and I remember looking at it in the early days of me doing this job thinking, 'well is this the tool set I need to drive the change'. And I just remember looking at it thinking, 'I don't understand this, I don't really know what I'm supposed to be doing with it'. And from my involvement with other people in jobs like mine they all basically feel the same way."

PMS legitimation and tensions within MegaCorp

d) Mutual suspicion	"What works a lot *better* is the EFQM toolset, the model, its definitions, it's self-assessment process, the logic that underpins the whole thing, that works really well."
	"Another reason why the EFQM has not been broadly promoted across the whole *MegaCorp* organisation is that a few years ago there were two businesses in Germany that won an award, an EFQM award. And then twelve months later, and obviously a bit of a fanfare was made and a fuss and all the rest of it, and then twelve months later both of those businesses ran into serious financial difficulties. And someone at a higher level had some egg on their face having promoted the fact that look how good we are, we won these awards, and then next thing you know on the news from a financial point of view and had some explaining to do."
	"I just remember looking at it thinking I don't understand this [Time]. I don't really know what I'm supposed to be doing with it. And from my involvement with other people in jobs like mine they all basically feel the same way."
	"There's got to be a recognition that probably a number of the approaches that we take are as a result of political pressure as well."
	"I'm not overly familiar with the other corporate initiatives within Time as they are applied to our business. I think, if I'm honest I don't think it filters down to my kind of level, it might well filter down to the business level or divisional level but I haven't necessarily, and maybe this is a poor reflection on how the Time initiatives are communicated."
	"Someone once told me 'well the reason why [*MegaCorp*] never pursued EFQM as a global initiative is because the fourteen companies or heads that formed the original EFQM group wasn't represented by [*MegaCorp*].' If you were to list the top fourteen European companies I think [*MegaCorp*] would be in there. So for some reason, why weren't they in there and maybe someone was a bit offended that [*MegaCorp*] weren't involved and thought, well OK, we'll do our own thing."

"You may compare it with the EFQM but … there are similar areas yeah, EFQM I think, I'm not quite sure but the EFQM, it must be eight areas?"

Q: No nine areas, there are five processes and four enablers.

A: "Oh nine, and if you make a translation from this aspect to [Time] it is similar, and some of our groups use it .. and they found out all these awards things … And what you have of course is that the people are really focused on some points, getting some scores …a lot of activities were focused on this award issue."

"Has Time been a global success? I've no idea, I really don't know. Probably nobody will ever find out."

e) Awards and recognition	"We actually won at the Hilton in Park Lane. We went there for the national awards and we were presented by Princess Anne with the EFQM national award. So we are now over the seven hundred points marker as factory here in Automata
	"The [Automata] factory ... who are part of our division won the award last year for the British Quality Foundation. And they have been sort of inundated with people saying, 'can I come and talk about the EFQM."
	"If I remember rightly the plan is to apply for the European Quality Award next year, and this year try to implement some of the actions coming out of the assessment for 2005."
	"In the UK there's only *MegaCorp* Communications that actually won an award about three years ago, but it wasn't the level of the award that we won. "
f) Global Identity and recognition	"I think they [HQ] wanted [Time] to be part of their identity...they wanted financial institutions to realize they have an improvement program."
	"This was developed within MegaCorp and this, I would say this is a company- wide fitness programme, and we have this very similar to GE, GE has also some really company programmes. And the idea is to give the operating units a toolbox where they can improve the business."
	"When Time was first introduced it was introduced as [*MegaCorp*'s] business excellence program. And the significant word there was [*MegaCorp*] as all we'd done really was take EFQM out and put [Time] in. So, because [*MegaCorp*] is big enough and ugly enough to do its own thing, it did, instead of saying, 'OK we've evaluated all the different tools around for improving the business and we think EFQM is the way to go, therefore, [*MegaCorp*] is going to buy wholeheartedly into EFQM'…. I suppose it was just typical of [*MegaCorp*'s] arrogance to things we're using."
	"Because the very early background to Time is that *MegaCorp* business weren't all profitable and that affected our share price, and there was a realisation that we needed to do something about it as a company. And as I say we I'm talking about the people in HQ."
	"I think, as I say, it's a logo."
	"Time is really the buzz word for the *MegaCorp* productivity programme."
	"[Name] is a former member of that Business Development team, and in fact Time was his baby, he developed it and globally rolled it out before he came back into a region as the MD. And it's a stopping off point in people's careers to do some strategic things. OK, and to gain political, should I be saying this, I don't know. To gain political sway in the organisation so that they know the right people to contact they're put into this Business Development group for a number of years but they've got to produce something."
	"They're given a stage and expected to do something like that."
	A: Yeah, and they're mentored by one of the senior presidents whilst they're in that position, and those initiatives then are rolled out, because you know they get either vice president approval for a business unit or they get *MegaCorp* managing director approval global to roll out, Time was one of those.
Acknowledging and resolving Competing PMSs	

g) Acknowledgement and fear of centralising PMS pressures	"More and more, we're getting the influence of [Time] and things like that are coming through, yeah. ... What's happening is that across the whole world [*MegaCorp*] is trying to harmonize its processes, and the way it's structured, so in Northern European countries [sites] are doing this. So right now we're engaged with the likes of Holland and Finland and Sweden and Ireland to agree common processes. Now you think about that, that's just so difficult, I mean you can't even imagine how you'd go about doing that."
	"It's coming straight down the track, it's a bit of a scary thought really.. Now [if] in harmonizing these processes we have to employ four more people to do the extra work this doesn't make us more competitive. But the answer is that at the higher level in the organization this is expected to save us tens of millions of pounds, so it's worth doing at that level. We just have to live with the consequences."
	"EFQM is all about drive. It's not focusing on the result which is what the balanced scorecard is. It's about focusing on the enablers which will then make results happen."
	"Once we [harmonize] what we've got is what we've got, and if we want to make a change then ten other countries have got to agree, it's a bit like the EU. So it's a worrying thought really 'cos you know we'll have lost a lot of the flexibility."
	"[TIME] is a [*MegaCorp*] improvement initiative, and I'll make a comparison with GE if I could. GE are pushing Six Sigma as their total business improvement [model]. [*MegaCorp*] I would suggest are pushing [Time]."
	"I believe that the introduction of Time words and terms into UK businesses is about ensuring that our business heads … realise that we use improvement programmes. So maybe it's a political, 'wearing the badge' issue."
	"Someone's had the idea somewhere, they've got to be globally competitive, they need to reduce costs. One of the ways we can do that is to reduce the number of platforms of SAP that we operate on. Let's harmonise all the processes across the world."
h) Accomodating EFQM to BSC and Time: Framing and Social Skill	"Time is very much lip service to the corporate initiative, it is taking everything and putting it into a framework, so it's a, it's a framework." Q: Really just filling in the forms and…..? A: "Filling in an Intranet based site and making sure everything's linked correctly, so you could be doing balanced scorecard, EFQM, Time, whatever, it's just putting it into the right pigeon holes within that process."
	"There will be duplication of the information but like I say EFQM is a catcher, it's a snapshot on an annual basis, whereas your balanced scorecard is a continuously applied, you're constantly feeding the balanced scorecard with new information on a weekly basis."
	"EFQM it is something which is more actively pursued as a UK activity than it might be by our colleagues in Germany.. but that doesn't mean that it doesn't fit in with the overall Time and processes that we are required to work under. It complements that, it allows us to focus our activities on that, so I don't see EFQM taking us in any particular alternative direction."
	"I had a business improvement manager from another business in here yesterday saying what comes first, EFQM or Time, and he couldn't get his head round it. And you can actually argue it either way, you could say well EFQM's your model and Time fits within the process box, or you could argue that Time is all about business improvement and the EFQM is our tool for delivering it. So you can argue it whichever way you want."
	"We only really have one improvement programme which is EFQM, [but] we recognise the things that we are supposed to do through Time."
	"Balanced scorecard is just the pictorial way that we choose to monitor the enablers and the actions as part of EFQM, the two are obviously closely linked. But what drives, if you ask for a hierarchical structure, 'what is the top level that's driving our business?', it would be EFQM."

"EFQM is not part of the balanced scorecard, balanced score fits into the EFQM culture or requirements... yeah."

"I had somebody in here saying, 'explain this [Time] and EFQM thing because we've got two systems'…. People get a bit hung up on it by saying 'should we do an EFQM or should we be doing [Time]'? And really if you're doing EFQM, you're doing [Time]… So it's an on-going story."

"The balanced scorecard fits perfect in this Time philosophy, and then it wasn't a big deal to bring these kinds of tools into the toolbox."

"When some of the people go to HQ and they get involved in these types of discussion they keep it pretty low key, the EFQM activity in the UK. Simply because in HQ it's not necessarily smiled upon as an improvement tool. They'd rather talk about Time than EFQM."

"Time is a subsection of EFQM."

Table 3. First order Findings and Second Order Concepts

Research Questions	First Order Findings		Second Order Themes
1.Through what processes have multiple performance measurement systems arisen within MegaCorp?	*Factory crises, initiatives in the MNC, and the development of three Performance Measurement Systems*		
	Local factory crises 1990-	Productivity crises	EFQM and identity of local managers
		Local Adoption of EFQM	Attributing success of EFQM retrospectively
	'Global' improvement initiatives 1998-	In-house development of Time/Process Improvement	Corporate identity as a major MNC
		Adoption of BSC	
	PMS legitimation and tensions within MegaCorp		
	Local awards and external recognition	EFQM inspections and implementation awards.	Legitimacy roles of EFQM: 1. Instrumental legitimacy: practical success. 2. Moral authority of EFQM association, 3. cognitive identification with engineering
	Global Identity and external recognition.	1. Global adoption of BSC Brand 2. 'Own' brand PMS system - Time, rivalling other MNCs.	Legitimacy/Status: Major MNC developing 'own brand PMS' - moral authority with external institutions.
	Mutual Suspicion of PMS.	• EFQM failures in *MegaCorp*, HQ 'arrogance'.	
2. How and why do the managers within MegaCorp's functions persist with and tolerate multiple performance measurement systems?	*Acknowledging and resolving Competing PMSs*		
	Maintaining multiple PMS.	• "Overlaps" between PMSs • "Talking 'Time'" to HQ	Cognitive framing of imagined hierarchies among EFQM, BSC and Time. Interacting with *MegaCorp* to maintain co-operation.