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# ***WHEN THE ENTERPRISE CULTURE MEETS IDENTITIES: A CASE STUDY\****

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## **Résumé**

Notre recherche s'appuie sur une étude de cas menée dans une grande entreprise publique française venant de mettre en place un nouveau système de pilotage de la performance. La perspective adoptée pour cette étude s'inscrit dans le courant de recherche connu dans la littérature anglo-saxonne sous le nom de 'Entreprise Culture' (ci-après EC ; du Gay, P. & Salaman, G. "The Cult[ure] of the customer", *Journal of Management Studies*, Vol. 29, No. 5, 1992, pp.615-33). Au niveau sociétal, l'EC s'appuie sur la promotion du client réputé souverain et de mécanismes de régulation fondés sur le marché. Au niveau des comportements dans les organisations, elle repose sur l'injonction faite aux personnes de devenir les entrepreneurs de leur propre vie. Nous montrons en quoi le système de pilotage de la performance étudié incarne ces idéaux de l'EC. Notre étude de cas se propose ensuite de contribuer à la recherche sur le degré de liberté dont disposent les individus par rapport à l'EC. Par ailleurs, elle permet de mieux comprendre les processus identitaires à l'œuvre face aux discours de l'EC et aux outils associés. Enfin, elle met en évidence le rôle des instruments de pilotage comme médiateurs entre les niveaux organisationnel et individuel impactés par l'EC.

Mots clés. : 'Entreprise Culture', identité individuelle, identité organisationnelle, identification, systèmes de mesure de la performance

## **Abstract**

*This paper is based on a case study conducted in a large French public sector firm which had recently implemented a new performance measurement and management system. we draw on the "enterprise culture" (EC) literature and research program. EC has been described as a discourse operating at different levels in organizations and society (du Gay, P. & Salaman, G. "The Cult[ure] of the customer", *Journal of Management Studies*, Vol. 29, No. 5, 1992, pp.615-33) and revolving around two bases. First, the figure of the reputedly sovereign customer and the associated substitution of market-like regulation to bureaucracy in organizations. Second, the injunction to enterprising self, by which organizational participants are supposed to behave as entrepreneurs of their own lives. We show how the new system embodies these EC ideals. Our case studies then contributes first to the research regarding the levels and expressions of individuals' freedom vis-à-vis EC. Second, it sheds further light on the identity processes at stake when individuals are confronted with EC discourses and related technologies. Third, we bring new evidence of the role of management instruments as mediators between the EC impacted organizational and individual levels.*

*Keywords: Enterprise culture, Self-identity, Organizational identity, Identification, Performance measurement and management systems*

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# ***WHEN THE ENTERPRISE CULTURE MEETS IDENTITIES: A CASE STUDY***

## **1. INTRODUCTION**

### **1.1. Background, objective and relevance**

The “enterprise culture” (EC) has been described as a discourse operating at different levels in organizations and society since the 1980s (du Gay & Salaman, 1992), and notably in the public sector (du Gay, 1996). It can be summarized into two aspects. First, it relies on the figure of the reputedly sovereign customer which has been used not only as the main reference point for internal structuring and policies (TQM, JIT, etc.), but also as a model of regulation within the firm where market (customer/supplier relationships) is claimed to substitute for bureaucracy. Second, organization participants are supposed to enterprise selves, that is, behave as entrepreneurs of their own lives, with the subsequent development of responsibility, empowerment, autonomy and accountability (du Gay & Salaman, 1992).

The impact of EC on individuals is a core question regarding this latter aspect. Scholars having addressed this question have mainly discussed the degree and forms of freedom left to individuals in their appropriation of the EC discourse. While authors have emphasized the disciplinary aspect of the technologies of government (Miller, 2001; Miller & Rose, 1990) in which the discourse is inscribed (du Gay & Salaman, 1992), others underline that individuals interpret and reconstruct the discourse of enterprise (Cohen & Musson, 2000) or use it in an active mode in order to either maintain their self-esteem (Storey et al., 2005) or manage tensions (McDonald et al., 2008). The two sets of works do evidence that EC is involved in identity processes. However, as recently noted by Salaman & Storey (2008), research has not yet investigated in depth the question of linkages between the various levels concerned by EC, and more specifically, how management practices operate as mediators between the organizational and the individual levels.

Our objectives in this article are threefold. First, we intend to contribute to the research regarding the levels and expressions of individuals’ freedom vis-à-vis EC. Second, we aim at shedding further light on the identity processes at stake when individuals are confronted with EC discourses and related technologies. Third, we bring new evidence of the role of management instruments as mediators between the EC impacted organizational and individual levels. In this paper, we do not aim at providing an encompassing theory of enterprise culture and identity formation. Based on a case study, this article rather aims at refining existing research on two precise aspects: the appropriation by individuals of EC, and the interplaying

modes between EC and identity processes when EC has been inscribed in management instruments.

## **1.2 Conceptual framework, methodology, structure of analysis and content**

Our conceptual framework identifies three identity-related concepts: self-identity (of individuals), organizational identity and individuals' identification to the organization. Together these three concepts make it possible to understand how the individual integrates his/her experiences in the organization in the permanent construction of his/her self-identity, and among others his/her experience of EC. The conceptual framework is presented in Part Two. Part Two also offers a review of prior studies having investigated the process of influence of EC on individuals.

Our research is based on a case study conducted in a large French public sector firm which, for about a decade, had experienced major changes in its institutional environment, strategic orientations and management systems. Notably, by the time of our study, a performance measurement and management system embodying the EC ideals had been recently implemented in one division of this company, which made this organization a relevant setting for our research. Details about the company, the new<sup>1</sup> system, our data collection method and sample, and the way collected data have been analyzed are provided in Part Three. Part Three also explains how the new management system embodies the two aspects of EC, i.e. the customer centrality and the notion of enterprising selves, and why this can be considered as a technology of government.

Part Four presents organizational participants' narratives about how they view themselves and their organization, and how they react to the new system and the underlying, EC-related principles. In the first section we reorganize identity-related narratives along four bases for identification, namely (i) the "public service mission", (ii) technical excellence, (iii) safety and (iv) autonomy in the job. In the second section we provide narratives shedding light on the impact of the ideal of "enterprising selves" (as embodied in various aspects of the new system, as explained in Part Three) on the identification process. Seemingly the new system and its underlying assumptions did not readily question two of the four identification bases, but seriously challenged the other two, resulting in a recomposition of the EC discourse. Our observations lead to the conclusion that the discourse of EC, as embodied in the associated technology, does have an impact on individuals. However, people are not passively constituted by the discourse and technology inasmuch as they do appropriate and actively reconstruct the latter.

Part Five discusses our findings in respect to prior related literature, and their limitations. The conclusive Part offers academic perspectives and implications for practice.

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<sup>1</sup> Our use of words such as "new" or "innovative" does not mean any positive value judgement. We also mention "resistance to change" without any negative connotation.

## **2. ENTERPRISE CULTURE AND IDENTITIES: REVIEW AND CONCEPTS**

The first section of this second Part offers a review of prior studies of the influence of EC on individuals. The second section presents the three identity-related concepts that we will use for analyzing the reciprocal influence of identities and the EC discourse.

### **2.1. Literature review**

'Enterprise' is given a different meaning depending on the perspective, for instance political, prescriptive literature, or academic commentary (Fenwick, 2008). In this article we refer specifically to the notion of 'enterprise culture' which is described as a discourse articulating three different levels: societal/political, organizational and individual level (du Gay & Salaman, 1992). As Rose (1996, p.6) also argues, enterprise discourse "links up a seductive ethic of the self, a powerful critique of contemporary institutional and political reality, and an apparently coherent design for the radical transformation of contemporary social arrangements". At the societal/political level, the critique referred to here is that of neo-liberalism and its emphasis on the centrality of the reputedly 'sovereign' customer. At the organizational level, the promotion of customer-oriented relationships has been conducive to the promotion of market-like regulation of intra-organizational activities. Market mechanisms underpins a wide variety of organizational change programs, such as the substitution of market control to management hierarchical control, just-in-time modes of organization, total quality management and related cultural change programs. At the individual level, the discourse of enterprise promotes the idea of the individual as the entrepreneur of his/her own life, and more radically, of his/her self – with a special emphasis on responsibility, empowerment, autonomy and accountability. The representation of individuals as 'entreprising selves' and the centrality of the sovereign customer are the two central components of the EC discourse which thus operates at and links the three societal, organizational and individual levels. This initial argument of the EC literature has opened up a research program aiming at a deeper understanding of the modes in which and extent to which these linkages operate.

Recent work in this field has concentrated on the impact of the enterprise discourse on organizations or professional groups - see for instance Sikka (2008) on anti-social behavior in accountancy firms; du Gay (2008) on the inconsistency between EC principles (autonomy) and democratic and ethical principles ruling public sector; or Ursell (2000) on the transformation along time of British broadcasting from public service to a more competitive and market-led regime. However, few studies have investigated the impact of the EC discourse at the more micro level of individuals (Storey et al., 2005).

On the latter question, the seminal perspective has been Foucauldian (Rose, 1989; Miller & Rose, 1990). According to du Gay & Salaman (1992) "the power of enterprise lies in its apparent universality and in its simplicity [...]. By living one's life as an 'enterprise of self', modes of existence that often appear to be philosophically opposed – business success and personal growth, for example – can be brought into alignment and achieve translatability". Enterprise is described as constituting a particular form of 'governmental rationality'. Since the discourse of enterprise actually realizes linkages between different levels, individuals are

considered as having little freedom vis-à-vis this discourse and related technologies. Indeed, the enterprise discourse is considered to “have no serious rival” (du Gay & Salaman, 1992, p.630). Moreover, entreprising selves are not only calculating selves but “calculating about [themselves]” (Rose, 1989, p.7-8), which implies that the influence of discourse on individuals is governed by the pursuit of their own interests.

More recent studies have refined this seminal work. Cohen & Musson (2000) have analyzed the impact of the enterprise discourse on individuals in two different contexts: (i) General Practitioners (GPs) in UK after the introduction of a new GP contract by the Government in 1990 and (ii) women moving from employment to self-employment. Their aim was to illustrate how and to what extent individuals were actually constituted by the discourse of enterprise. The findings of their research indicate that people are not passively constituted by the enterprise discourse but “negotiate their own understandings [of that discourse] within their own particular worlds” (Cohen & Musson, 2000, p.44). As a consequence, the discourse of enterprise cannot be viewed as a monolithic and homogenous whole. Cohen & Musson do not refute the idea of a hegemonic propensity of the EC, but they claim that people appropriate the aspects of this discourse which they find relevant to them. For instance, GPs were not opposed to follow some recommendations derived from the enterprise discourse in the organization of the service they offered; while simultaneously they rejected the idea that health care delivery could be globally envisioned as a business venture.

Storey et al. (2005) have also studied how workers responded to pressures to accept enterprise as a major element of their self-identity. They have compared how two groups of workers in the media sector who were either freelance or contract workers, incorporated the discourse of enterprise. They have evidenced that workers use it not only to judge their successes or failures, but also to protect themselves - for example by attributing their problems in gaining work to the market organization (which would not be consistent with the enterprise discourse), or by attributing employment rejection to poor marketing rather than to their own ability or talent. In doing so, they viewed themselves as selling a business service rather than selling themselves. Storey et al (2005) have also shown how individuals saw themselves as having to be entreprising regarding how they balance work and non-work in their lives.

More recently, McDonald et al. (2008) in a study of nurses and GPs, have confirmed that individuals were not passive towards the introduction of enterprise- there, via a new contract for UK GPs introduced in 2004. They have evidenced that contract and associated self-surveillance mechanisms offer nurses a greater opportunity to work as independent professionals and provide positive feedback and recognition of their skills and contribution to patient care. They have also evidenced that doctors constructed the contract as offering benefits to both the profession and patients. McDonald et al. (2008) emphasize that individuals are not only active towards enterprise culture, but positive and that consequently enterprise cannot only be viewed as a threat to traditional identities, but as a resource for individuals. In their case study, it was helpful to entreprising clinicians in their self-management of the tensions arising from competing objectives underpinning the professional identities to which nurses and GPs were encouraged to aspire.

The central issue in all these studies is thus individual's degree of leeway vis-à-vis the enterprise discourse. The main conclusion drawn from these studies is that individuals are not passively constituted by this discourse. Such a conclusion is consistent with Alvesson & Wilmott's (2002, p.628) more general statement that employees "are not passive receptacles or carriers of discourses but instead, more or less actively and critically interpret and enact them".

Among these studies very few of them have considered management instruments and rules as mediators of the relationship between the EC discourse and individuals. Thus Cohen & Musson (2000) have noted that EC is not only made of discourses but also of tools and rules which individuals have no choice but to accept. With this notable exception, these mediators and more broadly the organizational level (from which tools and rules are part) appear largely underexplored. This point has been emphasized by Salaman & Storey (2008) who remark that empirical analysis in the field of EC "tends to neglect the ways and the extent to which enterprise is mediated by management structures and practice". Salaman & Storey (2008) call for empirical research focusing on the notion of linkage. As we have seen above, linkage (between the three levels identified by this literature) is indeed a central proposition in the enterprise literature and research could fruitfully investigate the ways enterprise discourse at one level penetrates and affects behavior at another level.

## **2.2. Self-identity, organizational identity, identification and enterprising selves**

To address this question, we will use the concept of identity which has already been used in the above quoted research. Interestingly Cohen & Musson (2000) have used the concept of identification to another person. However, the referent for identification can also be an organization. We suggest that investigating identity through such identification (to the organization) would probably be fruitful. As we shall see below, the concept actually enables to articulate the organizational and the individual levels (organizational identity and self-identities) – those levels that are precisely targeted by EC. We propose that introducing this concept (identification to the organization) will enrich our understanding of the mechanisms through which EC becomes internalized by individuals.

Our theoretical framework includes three concepts. Two of them relate to, respectively, the individual (self-identity) and the organizational (organizational identity) levels. The third one (identification) refers to the relationship between these two levels.

Self-identity is a very plastic concept which has been extensively studied in psychology and sociology. Studies conducted in the realm of each field have generally emphasized two different aspects of identity: individual identity (sometimes referred to as the Self) and social identity (that refers to our being constituted by our belongingness to social groups), respectively. While illuminating for studies focusing on specific aspects of identity, such a distinction might fail to properly account for questions and settings in which identity would be best approached as (i) being constructed within a social environment and (ii) being precisely what makes each person both unique *and* alike. For this research, we will therefore rely on an inclusive definition of identity which does not separate the individual and social dimensions: "A person's identity is defined as the *totality* of one's self-construal, in which

how one construes oneself in the present expresses the continuity between how one construes oneself as one was in the past and how one construes oneself as one aspires to be in the future” (Weinreich, 2003, p. 26, emphasis added).

This definition emphasises the fact that identity is a permanent construction, with various components (gender identity, ethnic identity, occupational identity, etc.), which however “are not separate identities, but components of the totality of a person’s identity” (ibid., p. 27), in relation to membership of a given community at a certain moment of time. It is not inconsistent with the concept of ‘multiple identities’ (or selves) (Pratt & Foreman, 2000; Johnson et al., 2006), which has been recently scrutinised in organisation research. Such a conception of identity seems relevant for studying the impact of the discourse of “enterprising self” on individuals inasmuch as behaving as an entrepreneur of one’s own life would entail reflexive thought about oneself and one’s biography.

In the organizational literature, a variety of definitions and conceptualization of organizational identity have been proposed– for a recent review, see Ravasi & Schultz (2006). In our research we will draw on a socio-constructionist definition which offers consistency with the concept of self-identity we have chosen. In this perspective, organizational identity “concerns those features of the organization that members perceive as ostensibly central, enduring, and distinctive in character that contribute to how they define the organization and their *identification* to it” (Gioia & Thomas, 1996, p.372, emphasis added). Organizational identity contributes to sense making in organization: it resides in shared interpretive schemes constructed by members and, as the definition makes it explicit, it provides a basis for a specific relationship between the individual and the organization – identification.

Identification is a relation that the individual constructs in reference to an Other, who can be either a person or a social group. In this research we are only interested in the latter type of identification and the social group considered is constituted by participants to the organization employing the individual. Identification characterizes a person’s relation to the social group of which s/he is a member. It is “the perception of oneness with and belongingness to some human aggregate” (Ashforth & Mael, 1989, p.21).

Such conceptions of organizational identity and identification suggest that the individual integrates in his/her experience his/her living in an organization – a process which is a necessary step towards construed self-identity. The perception of oneness with and belongingness to is likely to be expressed in biographic narratives.

The discourse of EC, and particularly its “enterprising selves” dimension, presents itself to the individual as an external demand from the organization. Like all signals from the organizational environment it resonates at the organizational identity level. Indeed such a discourse needs integration with the individual’s perception of the central, distinctive and enduring traits of his/her organization (organizational identity). The discourse of enterprising self also directly addresses the reflexive self-understanding of the person (self-identity) inasmuch as it suggests self-representations. Identification means that the individual perceives commonalities between organizational identity and self-identity. In the remainder of this text we refer to these commonalities as identification bases. If the EC discourse questions



identification bases, its integration is likely to be different from what EC promoters expected. In Part Four we will analyze the impact of the EC discourse on identification bases as a way to gauge the interplay between discourse and identities, and further the scope of influence of the EC discourse and the level of freedom of individuals towards it.

### **3. METHODOLOGY AND CASE SETTING**

As we explained in the Introduction, our case is located in a division of a French public sector company. For about a decade, the company had experienced major changes in its institutional environment, strategic orientations and management systems. We selected this case since, by the time of our study, a new performance measurement and management system, embodying the EC ideals, had recently been implemented in the division.

In the first two sections we present the organizational context of our research and the new management system. In the section that follows we explain how the new system can be regarded as embodying the two main aspects of EC (i.e. the customer centrality and the notion of enterprising selves) and why it can be considered as a technology of government. We provide more details about our methodology in the last section.

#### **3.1 The organizational context: F-Rail and its Inf-Rail division**

F-Rail is a French railway company. Its majority shareholder is the French State and most employees benefited from a special status guaranteeing them, among others, life-long job security. By the time of our study, the company had undertaken extensive changes for about ten years. On the one hand, the quasi monopolistic position it held for decades was being threatened by the deregulation of the transport sector decided for at the European Union level. On the other hand, in order to comply to European Directive 91/440, the French State had created in 1997 two distinct legal entities to manage infrastructure activities (network's ownership and responsibility for its maintenance and development) and operation activities (production and sales of transportation) - that were previously integrated in F-Rail. A new company, F-Net, had been created to carry out infrastructure activities that could call on any supplier for the maintenance and the development of its network. Nevertheless, most of the skills in terms of railway maintenance and engineering were still concentrated at F-Rail, more precisely in its division Inf-Rail that was therefore still remaining F-Net's main supplier.

F-Rail's organization was both divisional and geographical. The company had been recently reorganized into divisions, in the wake of F-Net's creation in 1997. Divisions corresponded to activities, namely railway equipment and traction; different segments of operations (freight, long distance lines, regional lines, Parisian lines); and infrastructure – the Inf-Rail division. The divisional organization aimed at its being oriented towards its customers and developing among its employees a greater sensitivity to economic issues. The objective assigned to each divisionalized activity was profit making. The 23 regions ran all the activities deployed locally in establishments that were each composed of several OUs (Operational Units).

While Inf-Rail's main client was the company F-Net, for the maintenance and development of the network, the former also realized construction or real estate maintenance works for F-Rail's other divisions, but to a lesser extent. All these customers were now entitled to call on any supplier and choose the most competitive one.

Inf-Rail had two types of contracts with F-Net. The first type was the current maintenance contract. It provided for a fixed, flat rate annual payment by F-Net to Inf-Rail in return for the realization by the latter of very precisely quantified maintenance operations, such as rounds of inspection, track and other parts change, etc. In addition to this, the contract stipulated conditions for rewards and penalties according to service quality. Since there had been no increase in the contractual monetary amount for some years, while production quantities did increase, high productivity rises were expected, putting Inf-Rail under high pressure. For special (generally important) maintenance operations and network development, specific contracts were based on negotiation between F-Net and Inf-Rail. It was thus crucial for Inf-Rail to develop a good knowledge of its production costs.

By the time of our study, the provision of services by Inf-Rail to other F-Rail divisions had recently been regulated by orders also, the price of which resulted from negotiation between both internal entities. As we have heard during several of the meetings we attended: "no order, no work". An internal invoice was issued once the work was done. To inform negotiation about price, costing knowledge was needed, as in the case of F-Net special operations.

### **3.2. The new performance measurement and management system at Inf-Rail**

The implementation of the new performance measurement and management system at Inf-Rail was the second stage of a broader project of "production management renewal", which corresponded itself to the deployment in this division of more global and long-term projects. Launched at the corporate level, these projects included the company industrial project, and the renewal of accounting and management information systems. The large-scale projects originated after 1997 when F-Rail and F-Net were established as separate legal entities.

In the Inf-Rail division, the first step of "production management renewal" was the reconstruction of cost and management accounting systems which took place from 1998 to 2001. The second step was initiated by the CEO of Inf-Rail division during a convention that gathered the managers of this division in October 2001. In his closing address to the management, the Division CEO actually announced that he made the decision to implement a new performance measurement and management system in order to "renovate production management" (*Closing Address*, 2001).

This project aimed at moving from a rather loose and ritualised reporting system (see below) to a "renewed management dialog" (*Closing Address*, 2001) focused on action and improvement. Concretely the project had led to implementing:

- "performance review meetings" (referred to as "management reviews") between the OUs and the establishments, between the establishments and the regions and between the regions and the sectors, organized on a monthly, bimonthly or once every four months

basis depending on the hierarchical level. Participants were the entities' managers (for instance OU manager and establishment manager) and their two assistants in charge of production and management control (if existing). The management review were structured along

- A centrally produced performance scorecard (referred to as “reference document for management reviews”) including extensive information about production progress, costs, punctuality, safety, investment, and internal services. Actual figures for these indicators were compared to the budget. Punctuality and safety were two traditional performance dimensions in the company, referring to both service quality for customers and employees working conditions. Production progress was not a new area of measurement, but the emphasis put on meeting the budget objectives was recent. As regards costs, investment and internal services, most indicators were new. During performance review meetings, the head of the participating supervising entity was supposed to fill in a “decision report”, this decision report having been designed as the last page of the new, standardized performance scorecard.

The project for implementing management meetings was launched in January 2002 and meetings using a renewed set of performance indicators began in April 2003. During the development time, several groups (referred to as “mirroring groups”) comprising each category of would-be future users (production managers, entity managers, management accountants) at different hierarchical levels were permanently consulted on various characteristics of the system under implementation, so as to reach a reasonable level of agreement among future users.

### **3.3 The new system: a technology of government embodying EC**

As we shall see now, the new system can be considered as inscribing EC within the organization, since the main features of the system embody the two aspects of EC, that is, customer centrality and enterprising selves.

To begin with, we shall briefly describe the former system regarding performance measurement and management so as to gauge the extent to which the embodiment of EC created a new situation at Inf-Rail. The new system actually substituted for infrequent and/or irregular performance meetings. At the upper level, a unique member of the Operations Direction, at the Division headquarters, used to hold two times a year the 23 performance meetings with each regional delegate and his team. At the lower levels, meetings between regional and establishment levels used to be organized only once or twice a year, and performance meetings at the field (OU) level, if any, were held infrequently and at the discretion of the head of the supervising establishment. According to our respondents, these meetings were ritualized events based on non-standardized documents where justification for poor performance and expenses over budget was given without any consequence (“if expenses were over budget, they were over budget and nothing happened”). Moreover, the reliability of the locally-produced reported figures was low.

The main features of the new system can be traced in the announced objectives of the new system, the prescriptions about how it should be used and the lay-out of the scorecard.

“Contracts” and “accountability” had been explicitly highlighted since the launch of the project by the CEO (*Closing address*, 2001) as bases for the renewal of both management dialog and management production. These two words conjure up both figures of the customer and the enterprising self, that is EC. Indeed “contracts” bring up the contractual relationships between a supplier and its customer by which the former is accountable to the latter regarding its contractual obligations.

The notions of contract and accountability were reaffirmed in training handouts, in which the new system was being presented as aiming at:

- “optimizing contracting processes between the company’s different hierarchical levels,
- formalizing management dialog in defining ways of implementing periodical management reviews [meetings] between the different hierarchical levels” (*Handouts*, 2003).

The figure of the enterprising self had been constantly made explicit since the launch of the project in the reference to both the needed “management dialog”, which can be considered as another way of labeling accountability, and its main focus on reactivity, action and improvement. Thus the new management system was intended to be “not sheer reporting, but a step towards continuing progress” (*Closing address*, 2001). In other words “(...) management reviews [meetings] should increase reactivity down to the ground level and make a step towards continuing progress” (*General outline*, 2002). During training sessions it was emphasized that the “management dialog” that was to be initiated during management meeting aimed at “defining objectives and action plans” and “analyzing actions made and results obtained; reacting; improving”. “Management dialog”, it was explained, “should not be mixed up with reporting” (*Handouts*, 2003). In a two column table, “management dialog” was associated with “tomorrow, action, improving, correcting and learning, the team” and “a cooperative” attitude, whereas “sheer reporting” was deemed to be oriented towards “yesterday, recording, justifying, being sanctioned, the individual” and a “defensive” attitude (*ibid.*). Such excerpts, especially the last one, are very illustrative of the henceforth expected self – an enterprising self. As compared to the former situation, where, as we explained, accountability used to be very limited, this conception of management dialog represented a radical change.

Beyond discourses about what the system was supposed to do, the figure of the customer and the principle of accountability infused the various performance measures computed in the scorecard. Most production figures regarding current maintenance were computed and used for reporting to F-Net, some of them being additionally the basis for contractual penalties and rewards. The calculation of unit costs directly stemmed from their importance to specific contract negotiations with F-Net, and secondarily with internal customers. New internal service indicators (revenues, costs, etc) also pointed to the figure of the customer, who was instituted as the new basis for inter-company relationships. Both the special section of internal service indicators and a whole variety of cost indicators were totally new, by contrast to what existed before. Such novelties, as well as the extensive measurement of production, were explicitly aimed at developing actors’ awareness of customer-related requirements and associated profitability.

That the production of the new scorecard was centralized and standardized also contributed to enforcing accountability. Previously, the few existing measures were locally computed, according to un-standardized definitions, so that the infrequent and irregular dialog that would take place mostly focused on disputing about the validity and reliability of reported figures. In the new system, reported figures were compelling and their production process was unquestionable, which made accountability operable.

Comparatively the new scorecard provided a sound basis for extensive accountability on various aspects of the entity objectives, mainly those that were crucial for the customer relationship, and further, as explained above, enterprise. The system relied on these two pillars, the scorecard and the meeting, which together embodied the figure of the customer and that of the enterprising self. It can be considered as a technology of government, being based on calculative practices, mainly accounting ones, which made the program of government operable at the individual level. The new measurement and management system at Inf-Rail enabled “new ways of acting upon and influencing the decision of individuals” and “create[d] the responsible and calculating individual” (Miller, 2001, p.379-80).

### **3.4. Methodology**

Our observations rely on the triangulation of (i) archival internal documents (namely, the closing address of the Division CEO at an Inf-Rail Convention<sup>2</sup>, a project document from Inf-Rail Finance Department, and the handouts given to participants in training seminars about the new system); (ii) various samples of the performance scorecard under use and related procedures, (iii) open interviews of the whole variety of managers directly concerned with the use and implementation of the new system in different geographical areas, at various hierarchical levels, and both in the operational line and in the financial function; (iv) passive observation of performance meetings in different geographical areas and at various hierarchical levels.

Inf-Rail was geographically organized along four levels:

1. The national headquarters gather various functional services (for instance Finance, Human Resource Management, etc.) and the Operations Direction in which 4 sector directors supervise the regional delegations;
2. The 23 regional delegations have functional but not hierarchical authority<sup>3</sup> on
3. The establishments (around 120), themselves composed of several
4. Operating Units (OU) – the field level for operations.

We focused our observations on two regions and four establishments (two in each region). We observed eleven performance meetings and *before* these meetings, we interviewed 29 key-participants in these meetings (average interview time: one and a half hour-two hours).

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<sup>2</sup> The text of this speech has been largely disseminated throughout the Division after the Convention.

<sup>3</sup> Hierarchical supervision on establishments is formally granted to Region Directors (who also functionally supervise Regional Delegates for all activities since the creation of such positions in 1997). However regional delegates’ responsibilities actually encroach on the Region Director’s scope of authority, so that authority questions in regions represent a very touchy topic. This explains why, although regional delegates actually behave as if they were hierarchical supervisors of establishment managers, and these latter fully accept this supervision, this is not officially recognised.

Indeed the observed meetings being spaces of appraisal, thus sources of discomfort for both evaluated team and its evaluators, the presence of observers could be perceived as particularly intrusive, and beyond bias interactions during the meeting. Interviewing individually participants before the meeting made it possible to create trust between participants and the research team, and limit biases related to our passively observing meetings.

We thus interviewed:

- the two directors of the sectors supervising the two regions under study, at the national divisional headquarters (thereafter SECDIR);
- in each region, the regional delegate for the division (REGDIR) and two of his assistants: the regional production manager (REGPROD) and the regional management accountant (REGMAC),
- in each establishment, the establishment manager (ESTDIR), his two assistants respectively in charge of production (ESTPROD) and management accounting (ESTMAC), and depending on establishments and their managers' willingness, from zero to two operating unit managers (OUMAN)<sup>4</sup>.

Such a variety of respondents is likely to strengthen the validity of our conclusions. We shall note, though, that a number of management accountants had been occupying former technical or operational positions (either at the establishment and/or OU levels) before accessing the accounting positions which were theirs by the time of our research. This type of occupational mobility was not seldom in the company; it was regarded as a feature associated to traditional life-long in-company career paths. It follows that, to a certain extent, most respondents shared a similar background. Out of our 29 informants, only 3 were women, 2 of them occupying management accounting positions. This provides a further illustration of the over-arching technical and engineering background of individuals in the company as traditionally in France very few women had been trained in technical education or engineering schools.

The eleven performance meetings were observed at the three hierarchical interfacing levels. In each meeting (one hour to two hours and a half, depending on the hierarchical level) there were participants of the evaluated entity and of the supervising entity – those whom we had met previously and occasionally other colleagues of theirs. We thus observed meetings at the region-sector level (2 meetings), at the establishment-region level (4 meetings) and at the OU-establishment level (5 meetings).

Since we aimed at understanding self-identity and identification processes as well as how they impacted and were impacted by the new system, open interviews were conducted under the assumption that such interviews were most likely to foster spontaneous discourse. Our first question concerned the thoughts and feelings of the person about the new system, which left room for interviewees' sense making moves of thought and free associations.

From the first interviews on, it appeared clearly that recording was detrimental to the spontaneity and authenticity of responses. Hence we gave up recording and interviews were systematically conducted by two (sometimes three) researchers so as to have at our disposal

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<sup>4</sup> In one establishment indeed, the establishment manager refused that we conducted interviews with OU managers because "they were very busy already".

the most exhaustive notes. Depending on the number of participants, two or three researchers observed performance management meetings. Hence we did not collect the verbatim of interviews and meetings but by sharing and comparing our individual transcriptions the quasi-totality of interviews has finally been made available for analysis. Transcripts were supplemented with non-verbal expressions (change in intonations, laughs, gestures, silences, etc.), notes of which had been made during interviews.

Our research was not commissioned by the company. However, the division management, once presented with the objectives of our research, found them interesting enough to give access to internal documents and teams. The division management also provided help for the selection of interviewed entities. The two regions were chosen through successive eliminations under the constraint of environmental comparability. In each region, on the contrary, the two establishments were selected so as to increase sample variation (in terms of date of implementation of the new system, education and personality of establishment managers, etc.). Our informants in regional headquarters provided help in selecting the cases. Interviewees were granted anonymity, we also committed to providing them with a collective and, therefore, transparent restitution of our findings. Both elements were likely to foster respondents' perception of our independence.

Data have been analysed in two steps. In a first step, our analysis of the collected material was based on an open reading of transcripts, in which we paid attention to spontaneous moves of thought and associations, formal qualities of narratives (e.g. the use of metaphors, syntax constructions) and associated non-verbal expressions. At this stage we identified what we perceived as the most recurring or/and the most sense-making themes and connections in the persons' discourses. In a second step, data have been encoded with the NVivo software based on the recurring themes which had been identified. In the research, encoding the verbatim of interviews and meeting provided us with a powerful tool to browse through and appropriate the collected material, refine and validate the analysis which had been conducted in the first step. We made presentations our main findings to our interviewees. According to them, our data faithfully reflected what they had said; they more generally acknowledged that our analysis provided an account which was meaningful to them of the changes which they had been experiencing in the organization.

Pre-field work at corporate headquarters (i.e., collection of archival documents, and interviews of members of the project team which had been responsible for the conception and implementation of the new system) took place between June 2003 and February 2004. Interviews and observations were carried out between April 2004 and September 2004. Performance meetings had been held for the first time in April 2003, they had thus been operating for about one year by the beginning of our field-work.

#### **4. IDENTITY PROCESSES AND THE NEW SYSTEM**

In this part, we analyse how organizational members reacted to the new management system, and in particular gauge their level of freedom vis-à-vis the system, and beyond, EC. While EC has been conceptualized as promoting the figure of the customer and, at the level of the

individual, the enterprising self, we focus our analysis on the latter. Indeed, the idea of enterprising self entails a redefinition of self-identity and, as such, would question existing identities and identification processes.

Consequently, we first describe the main points of identification at Inf-Rail before the introduction of the new system. Second, based on the analysis of our informants' narratives, we show how the new system as embodying the idea of "enterprising self" actually disrupted existing identities and identification processes. Third, building on our observation of performance meetings, we analyze the discrepancy between the system as it was intended to operate, and the collective appropriation of the system by its users.

#### **4.1 Four identification bases**

At the level of Inf-Rail, the F-Rail division in charge of maintenance work where we conducted our research, several organizational characteristics were salient in our informants' discourses. Though we are conscious that to some extent our analysis bears the risk of being influenced by our own projections and interpretations, the triangulation of the analysis that each of the three of us conducted of the collected narratives led us to the identification of four organizational traits constantly put forward by our informants. Before entering into the analysis of identification bases, it should be noted that identification to the organization was both very strong and positive. In our respondents' narratives, identification to F-Rail appeared central to the construction of self-identities, as shown by the following excerpts:

I was born a railwayman. (ESTPROD)

The railwayman identity is a value that is quickly accepted (sic). It's the value of belonging to an outstanding company. It's a bit supernatural, surrealist. (ESTPROD)

As we mentioned above, there was a tradition of life-long employment in the company. Consistently, strong socialization practices were operating in this organization, such as very systematic and developed in-company training programs for incoming employees or managers, even when the newly recruited were already experienced. The rationale for the provision of in-company training programs relied on the specificities of both the organization and its activities. For decades, F-Rail used to be the sole railway company operating in France and by the time of our research competition still remained marginal. Therefore, given F-Rail former and long-standing status of a public service monopolistic organization, knowledge regarding the technical skills specific to railway activities did not exist outside this company.

Beyond their technical content, the training programs for new entrants can be analyzed as the initial step in the construction of shared, powerful meaning schemes among organizational members and their perception of belonging to a "unique" company, which can also be termed as the construction of organizational identity.

We identified four identification bases in our informants' narratives: the "public service mission" of the company, technical excellence, the concern for safety, and autonomy in the job. While the first trait would point to F-Rail corporate identity and the second would more



readily characterize Inf-Rail division, we cannot ascertain whether the concern for safety and autonomy in the job referred to either the divisional or corporate level, or both. It should be noted though that our informants talking about their organization identified themselves either to Inf-Rail or F-Rail in a mode where perceived divisional and corporate identity traits were combined. These four characteristics built up the organizational identity as they are considered as being essential, discriminating (relatively to other organizations) and, by a very large majority of our informants, perceived as a source of positive identification<sup>5</sup>.

*First*, organizational members exhibited a strong and positive sense of “public service mission”:

In the pride [of belonging to F-Rail] there’s certainly partly the fact of “the non-profit”. (REGPROD)

There’s a very strong feeling of public service, to serve the nation. A missionary side. (ESTPROD)

A privatization of the company, should it be engaged, was perceived very negatively as hurting this feeling of pride:

If the company was to be privatized, would I be so proud? I don’t think so [...]. There would be shareholders (...). They wouldn’t necessarily make the right decisions. We’d abandon some lines that are not profitable but that are useful to the local population. There would be job cuts, even if there already are quite a lot. But it’d increase. (ESTMAC)

*Second*, technical excellence was another salient aspect of organizational identity, even in the discourses of our informants who occupied positions in the finance and accounting line. As we mentioned, all management accountants had not been initially trained in finance and accounting, some of them actually having an initial technical or engineering training and professional background. This characteristic might explain why identification to the organization seemed to be confused with identification to the technical/ operational occupation and its ideal of technical excellence:

The railwayman is technical excellence (*sic*). (REGPROD)

The pride for technical expertise conjures up some reference values of guilds - for instance, the quasi-perfection (Guédez, 1994) - as well as the “artistic” tradition of the engineer’s profession in France (Vérin, 1993):

Basically the technician’s motto is to make and make right, for the sake of art. (SECDIR)

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<sup>5</sup> Out of the 29 informants we met, two only did not seem to positively identify themselves to the organization. At the time of our research, both of them had joined the company recently. In their discourses, the organization or their colleagues were referred to in terms both rather negative and connotative of the otherness, such as “they”.

The *third* characteristic is the concern for safety for both customers and employees. Safety was considered as the over-arching priority by many of our interviewees who expressed their concern in very strong terms:

In our culture, safety is not our reason for being, but our religion. (ESTPROD)

Safety culture (...) it's the basic training; [employees] have been formatted in it. (SECDIR)

*Finally*, in our informants' discourses, autonomy in the job was referred to as another organizational characteristic that *used to be* particularly salient. In the collected narratives, this characteristic of what the organization, in our informants' perceptions, used to provide to its members in terms of the conditions of exercise of their jobs, was not spontaneously referred to in positive mode. However, since, as we shall see below, respondents exhibited strongly negative feelings regarding their *loss* of autonomy in their jobs, we can infer that autonomy in the job was indeed, in our respondents' perceptions, a highly valued organizational identity trait. Autonomy was associated with individuals' ability to freely organize their work as long as they behaved as "good professionals" who knew their jobs and knew how and when it had to be done. Autonomy was related to the very conditions of the perceived complexity of the work environment at Inf-Rail. As a matter of fact, planned interventions had to be delayed, for instance because of bad weather, and conversely, it was not infrequent that unplanned, urgent work had to be completed. As a result of uncontrollable events, budgets were not deemed as being important.

Culturally, people (...) were in a traditional culture of autonomy. (REGMAC)

The former system was much easier. (...) Before we could do more or less what we wanted to do. (OUMAN)

People had more autonomy; they paid less attention to balancing accounts, to their allocated budget. If their expenses were over the budget, they were over! They could provide good explanations for this. (ESTDIR)

[The OUMAN] had a direct hold [on his activities]; he could organize the work (...) He had autonomy and a large control. (ESTPROD)

In the second part of this section, we show how the new system disrupted existing identities and identification processes around the four identification bases.

## **4.2 The narratives**

We first analyze how the new system was integrated or rejected in our informants' narratives.

### Public service

At first sight, the strong identification to the public service mission would not seem readily compatible with the focus placed in the new system on the economic dimension of performance, the need to meet the budget in terms of costs and the necessity to report on costs and performance. However, the discourses of our informants indicated that the economic dimension of performance fostered by the new system had been recombined with the missions of the public service firm in terms of providing the best service at a reduced cost.

On the one hand, in terms of contractual relationships with F-Net, it appeared legitimate to most our informants that this company being Inf-Rail main customer, it should hold it accountable for costs. The figure of the customer and the idea that the organization had to be accountable to the customer, which are central to the enterprise culture, seemed to be widely accepted.

We've a main customer, F-Net. We've to be able to providing him with elements of clues, of what's been billed and wasn't included into the flat rate contract. (ESTPROD)

The idea that producing without paying attention to expenses was no longer possible was recognized as a direct consequence of the changes in Inf-Rail environment, such as the move from being the sole supplier on captive markets to the opening up of these markets to competition. This was all the more acceptable as informants did admit that possibilities existed for a better use of resources.

We're convinced that we have to meet the desire of our customer. Otherwise we're dead. We have to prove that we're competent; otherwise we're going to being replaced for we can be exposed to competition. (REGPROD)

We have to defend quality production, but not at any cost. (ESTPROD)

We've been interested in costs very recently only. We used to do over-quality production. A bridge built by F-Rail will never collapse; it can stand ten-times the weigh that will ride on it. It *must* be strong. (REGMAC)

Accountability enacted in the new system through the focus on reducing costs, meeting the budget and having to report on costs and performance was perceived as a necessary condition for the survival of the "unique" company to which one felt deeply attached, and since being concerned by expenses was something with which one can personally identify oneself easily, the new system did not overtly conflict with the public service identification base.

It's normal that F-Net asks for the same thing we ask in our personal life [i.e. the best service at the best cost]. (ESTPROD)

However, paying attention to costs was perceived as a means towards the continued achievement of the division's ends: safety and punctuality; and controlling costs could also be reconstructed as an objective that had to be considered once and only if the previous ones had been met.

My objectives are: 1. safety; 2. punctuality; 3. costs; in that order. (REGDIR)

### Technical excellence

Identification to technical excellence was hampered by the impossibility, for economic reasons, to keep working in conformity with the perfection ideal. While acknowledging the need for cost control, our informants underlined that the impossibility of maintaining the network in a perfect state, because of budgetary constraints, directly conflicted with ways by which participants used to make sense of their work. As a consequence of the constrained financial means allocated by F-Net, decisions were made to decrease the authorized speed locally (“setting a slow down”) or even to stop traffic temporarily, mainly on service tracks, so as to maintain the required level of safety suitable with the “imperfect” state of maintenance of the railway.

It’s difficult to live with it. (ESTPROD)

Beforehand, setting a slow down meant that the person was bad, that he didn’t know how to do his job properly. (OUMAN)

Culturally, 20 years ago, closing down a track or limiting the speed meant that the hierarchy would bawl you out; it meant that we [the technicians] hadn’t done our job. Step by step we’ve insisted that we wouldn’t bawl them out if they did it [closing down tracks or limiting driving speed]. But they say: “we haven’t done our job; we haven’t been up to it”. It doesn’t go through. (REGPROD)

For the elderly, it’s a point of honour to give the same level of quality. We cannot admit degrading the quality level. It’s inconceivable. (REGPROD)

I’ve been asked to set a slowdown. I did it. But I’ve been rushed for this; they’ve had to ask it to me four or five times. I’ve been waiting; I’ve delayed the decision... And...*(after a while)* I’m not sure we were right. (REGPROD)

Interestingly enough, “renunciation” was the term coined in the division to designate these decisions of slowing down or closing traffic given the sub-optimum state of maintenance of the network. These decisions conflicted with self-identities and they were indeed experienced as renunciations by organizational members.

It’s true that when we go and talk to heads of units [OU managers] about renunciations, it goes against their culture. (ESTPROD)

### Safety

Given the new operating conditions which were themselves a consequence of scarce financial resources, new safety standards have been implemented in the company so as to provide for the continued protection of both operators working on the tracks and employees and passengers on board. While these safety standards lead to measures regarding the utilization

of the network which were lived as “renunciations”. It was recognized that cautious had been provided for in the definition of the safety standards and with a very few exceptions which we encountered by our elderly informants only, the new system did not directly conflict with the concern for safety as an identification base.

It [the new operating conditions] doesn't prevent me from sleeping at night. It would if it ended up with putting safety at stake. Since safety is provided for, I sleep quietly. (ESTDIR)

However, the new system was nonetheless disqualified inasmuch as it failed to meet the concern for safety which, as we mentioned, was a very strong identification base at Inf-Rail. Our informants complained that the information about safety which they deeply worried about did not appear in the new scorecard. Technically, the new scorecard did not meet their information needs on this dimension. Our informants' critique of the new system went beyond this shortcoming which they viewed as a further proof that the system belonged to a culture which readily conflicted with theirs.

There's nothing about safety in there [talking about the new scorecard]. All the boxes are empty; they've never been filled in. In my scorecard, I've got measures about safety. (REGDIR)

Safety and punctuality are not at all in [the new scorecard]. I have the indicators elsewhere [on other scorecards]. [The new scorecard] is a quite narrow view about the subject [Inf-Rail activity]. (REGDIR)

### Autonomy in the job

Operators' and managers' competencies and their understandings of their jobs used to allow for a large autonomy at the local level, all the more since the large-grained budgetary system was decoupled from the production management system: OU managers were allocated with a budget in which they could quite easily reallocate means. While the emphasis was placed on the result of individuals' work which was itself understood in very broad and qualitative terms, the new system traced down both the completion of detailed tasks programmed according to precise technical standards and the related costs and means, the new performance management system being now closely coupled to the production management system.

Before, we used to do largely what we wanted to. When we had to change rails, we used to put working hours elsewhere if we had done too many. We used to put an account number ourselves. We're sorting things out ourselves. Now we can't do it anymore. Before, we're just looking at working hours, globally. Now we manage operation by operation, precisely. (OUMAN)

We're in a somewhat dogmatic period in which we only manage what's urgent. I consider whether, by the end of April, I won't have eaten too much money, whether I can stand it, completing my program while performing better than the budget level – that's the last motto of our chairman. (ESTPROD)

A strict cost control coupled with tightened technical standards modified the operating conditions of jobs and restrained the scope of individuals' autonomy in their jobs. The emphasis placed in the new system on the accountability of individuals for meeting detailed economic targets directly conflicted with the identification base of behaving in autonomy like good professionals who know when and how maintenance work had to be completed. Individuals expressed the feeling that they had lost control over their activities.

It's true that we're locked up on all sides: production, unit production costs, number of operators, all-expenses amount and budget to be met category by category. Hence it's not always easy. (ESTMAC)

We, as the production department - large pieces of the budget are not under our control. (ESTPROD)

The smallest grain of sand and everything [budgets and production programs] falls onto the ground. (...) Given all this, in the same time, every month somebody comes and asks you why your unit cost is above your budget. At times I feel like throwing everything away. (ESTPROD)

Coherent with the features of the enterprising self, the system substituted a discursive and calculative mode of behaving autonomously to the more contextualized, tacit know-how of the technician who learnt his job in part through formal training yet mostly in the field through a craftsmanship mode of learning.

I don't think people have an antipathy to management, but this is not their cup of tea. They are qualified people who prefer to do their jobs. They behave like good craftsmen, they say: "I did all I could do, it's normal, I've behaved professionally. So if I didn't match the objective, since I've behaved professionally and I've got means, it's because of external causes". (REGDIR)

While EC embodied in the new system upset identification processes around identification bases, the narratives analysed indicate that EC and the enterprising self did not impact evenly these identification processes. Accountability towards the customer was integrated in individuals' narratives as paying attention to costs and to the demands of the main customer was a means to preserving the public service character and the distinctiveness that working in this unique company would confer. As for safety, the inability of the new system to address the deeply rooted concern for safety led to it being simply disqualified and disregarded by its would-be users. However, the new system more readily impacted identification processes around technical excellence and autonomy in the job and, accordingly, our collected narratives displayed strong, emotional concerns indicating that the features of the enterprising self embodied in the new system brutally collided with individuals' self-identities.

### 4.3 Performance meetings

Our observations of the collective appropriation of the system during performance meetings which were conceived as the very time and place of decision making for individuals placed under the injunction of behaving enterprisingly reinforces our conclusion regarding these identity conflicts and how these conflicts are accommodated in the studied organisation.

As what had been put forward by the promoters of this new system, performance meetings were intended to gather and support individuals who were supposed to behave as entrepreneurs in an organization that would be oriented towards action and learning. At the opposite, we observed that a very important part of management reviews was devoted to discussing the reliability of figures, correcting mistakes, or justifying variances. Action plans were then limited to actions regarding late data entry, data correction, or setting under control parameters that seemed to deviate. In *all* the meetings attended, we *never* observed any actual discussion of an action plan. We even did not observe the decision to organize a specific meeting to try and find out solutions to a problem which had occurred. It should be mentioned, however, that participants did fill in the decision report of their meetings with so-called “action plans” such as putting an indicator under control. As heard during performance meetings:

I do take note “action proposal: following up of the indicator ‘advancement [of production]’. Objective 100%”. (SECDIR)

Action proposal: global control of purchased materials and services. (SECDIR)

On this point I make a concrete action proposal: for next operations can we check that we’re going to perform at the budget level? (SECDIR)

Justification for variances between budgeted and actual figures was mainly sought in external events and causes such as bad weather conditions, improper (or late) delivery of material or equipment or difficulties in obtaining long enough periods of time between two trains to carry on maintenance work. Operating responsibilities of neither the reporting entity, nor its immediate upper hierarchical level, were really questioned. As for action plans, instead of being occasions of collective learning and action, meetings were turned out into ritualized events which bore similarities with the performance meetings in the previous system, with the difference that emphasis was now placed on meeting both the contractual production program *and* the budget. In the part that follows, we will discuss possible interpretations of the observed gap between the declared objective and functioning of performance meetings and the way by which they were actually run. To this point, we shall note that the observed collective appropriation of the performance meetings failed to conform to the principles of EC embodied in the new management system, as if individuals in performance meetings collectively rejected the imperative that they should behave enterprisingly.

## **5. DISCUSSION AND LIMITATIONS**

In this fifth Part, we first discuss our findings with regard to our research question and prior related literature. Then we highlight the contribution this research makes to more general research questions, for example the respective role of discourses and systems in identity processes. Finally we discuss the limitations of present research and their potential impact on findings.

### **5.1 The influence of the EC discourse on individuals: identity and self-interests**

Altogether, our observations and interpretation comfort previous analyses regarding the impact of the discourse of “enterprise culture” on individuals. They show that people are not passively constituted by enterprise discourses and technologies, but that they appropriate and reconstruct this discourse, which is very much in line with Alvesson & Wilmott’s (2002) statement and prior observations by Cohen & Musson (2000), Storey et al. (2005) and McDonald et al (2008). Moreover, in our case setting, individuals do not behave as would do empowered, enterprising selves (they provide justification rather than make decision during performance meetings). We have found very little support (see below) of the seminal disciplinary perspective that individuals would be governed by the EC discourse and technologies because their interest would be convergent with the organization’s one (du Gay & Salaman, 1992). Conversely our research suggests that identity and related concepts can be fruitfully used to further study the impact of EC on individuals. Collected narratives indicate that individuals largely reinterpreted the discourse with respect to conflicting self-identity aspects when they find it difficult to reconcile self- and organizational identities with system elements embodying EC. While some aspects of EC, as embodied in the new management system, do not appear to conflict with both organizational identity and self-identities, others seem to disrupt identification bases – which results both in a re-composition of discourse and in practices deviating from the expected ones.

Thus unexpected behavior during performance meetings could be understood as the outcome of identity-related conflicts, especially those originating in the fourth identification basis – autonomy. Before the ongoing change, autonomy in the job was a representation pertaining to self- and organizational identities. It was not an institutional claim. But it was perceived as a distinctive trait of daily working conditions, and individuals were not made accountable for the decisions and their various impacts resulting from the exercise of their autonomy. Identification was based on this representation of autonomy. It radically differs from the type of autonomy which is now an institutional claim and embodied in management systems. On a daily basis action is perceived as highly framed by budgets and tight control over expenses. In other words, accountability impinges on the traditional representation of autonomy, and further on identification. There is a paradox in the co-existence of (i) the institutional claim that individuals are granted increased autonomy and (ii) individuals perceptions that they have been losing the type of autonomy they valued. This paradox was also observed among the general practitioners studied by Cohen & Musson (2000). Moreover autonomy, in its new meaning, was demanded in performance meeting, which were the very space and time where accountability was enacted. Discourses of justification heard during performance meetings could be considered as a demonstration of powerlessness - which corresponds both to



individuals' intimate perception and to an implicit denial of the organizational demand of empowerment.

Participants' behaviors during performance meetings and the focus they placed in their exchanges on providing justifications to negative variances can also be interpreted as means of protecting their self-identities from the charge that the negative variance was "a result of a failure of enterprise" as noted by Storey et al. (2005) in the case of free-lance workers. Just as free-lance workers attributed their "problems (...) to the failings of the market place which denied enterprise rather than to their failure of enterprise" (Storey et al., 2005, 1050), participants in performance meetings attributed negative variances to external, uncontrollable events (bad weather conditions, improper or late delivery of material or equipment). Their failures were attributed to the structural conditions of their work environment rather to their inabilities or lack of enterprise. Interestingly, such collective behavior around the provision of justification of observed variances was observable at the very time and place where, in the system, the emphasis was supposed to be placed on proposing and discussing action plans between managers and their hierarchy. Designed as loci intended to enact the enterprise culture within collective processes in the organization, performance reviews could be perceived not only as instances of performance assessment but also as trials of whether individuals actually behaved as enterprising selves. Being likely to negatively question participants' identities, these technologies of government were collectively appropriated in a mode that mitigated their threatening character.

Exceptions to the general pattern of active and critical behavior towards EC should however be mentioned. Three of our informants out of twenty-nine expressed no criticism at all to the new system. Two of them had recently been recruited in the division, and, as we mentioned above, they did not develop positive identification with the organization. They perceived the new system as consistent with their former experience in other contexts before joining Inf-Rail, in other words, with their self-identity. Such exceptional perceptions do not impinge on our conclusion that self-identity impacts on the influence of the EC. Another of these persons fully adhering to the new system was not a recent recruit and developed positive identification with the organization. It was clear enough during the interview that this person had ambitious career expectations and that his ability in dealing with the new system could speed up his career. This unique case is consistent with the idea that individuals adhere to EC because of their personal interests (Miller & Rose, 1990). In all other interviews however self-interests were rarely mentioned. In addition, in the few instances in which participants did refer to their interests, we could not find any direct connection between these and the ongoing change in systems and organization. Our observations and analyses would thus indicate that the influence of the EC discourse on individuals would more often depend on self-identity than self-interest.

Finally, our study underlines that the influence of enterprise discourse is mediated by organizational structures as suggested by Storey & Salaman (2008) both in terms of management attitude and through the management systems embodying the discourse. Indeed, in this company, the management, while endorsing and diffusing the enterprise discourse, shared the same identification bases with their subordinates. Managers did not even see the contradiction between their discourse on decision making and action plan design and the absence of such decision and plans during the performance meetings they personally led. As

far as structure and systems are concerned, our study shows that the recomposition of discourse is more based on the discourse implicitly delivered by management systems (less autonomy is reduced), than on the explicit discourse itself (more autonomy). Indeed, the enterprise discourse on autonomy in itself does not disrupt identification bases. Rather, individuals engage into active behaviors because of inconsistencies between self-identity requirements and the conditions of exercise of autonomy created by the new system.

## **5.2 Identity, discourses and management systems: theoretical and methodological questions**

These elements lead us to discuss more general considerations about the role of discourses on self-identity management. Thus Alvesson & Willmott (2002) have inventoried nine modes of identity regulation as means of organizational control. The management of identity, they claim, operates “primarily by means of discourse” (Alvesson & Willmott, 2002, p.632) and indeed their nine modalities of identity regulation mainly point to labelling, vocabulary, storytelling, and the like. Relatively little attention is paid to non-verbal forms of discourse, among them management systems. Our research suggests that management systems are at least as worth of interest as discourses (words used, stories, etc.) for scholars interested in identity work<sup>6</sup> and self-identity, provided that the research and interviews are conducted so as to allow informants’ free associations and spontaneous moves of thought. Our claim is based on three arguments.

First, our research evidences that sense making is a fluid process integrating representations originating in various forms of organizational life. *Together*, not separately, discourses, organizational and system arrangements make sense to individuals, and further contribute to self-identity. Our open interviews made it very clear that while the departure point of each interview was the new system, interviewees spontaneously and rapidly moved to various themes perceived as related (their objectives, their tasks, their resources, their teams, etc.) and how all these have changed during the last years. Other new management systems like budgetary and production systems were also spontaneously referred to in association with the new performance management system. Such free associations and plasticity in representations suggest that other aspects of social life than discourse can provide valuable insight into identity work and self-identities<sup>7</sup>. This is consistent with Salaman & Storey (2008, p.320) claim that “ discourse is not about language but about language and practice and about the ways in which language defines and constructs objects and how they are acted on”.

Second, because systems are more confronting for the self than discourses (to a certain extent, an individual can ignore discourses, but he or she cannot ignore a daily used system), system use favours the expression of self-identity narratives which make central traits of “who am I?” more salient – and further especially informative for the researcher. For instance, in most of our research interviews, the technical excellence aspect of self-identity and identification was

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<sup>6</sup> Identity work corresponds to the “continuous [engagement] in forming, repairing, maintaining, strengthening or revising the constructions that are productive of coherence and distinctiveness” (Alvesson and Willmott, 2002: 626), such constructions also termed self-identity.

<sup>7</sup> This also seems to validate our view that the new system can actually be defined as a technology of government.

strongly expressed in association with the “renunciations” imposed by the tight budgetary frame. Seemingly management systems questioned self-identity much more actively than discourses on budget, on which there was an apparent shared agreement.

Third, investigating systems makes direct observations of behaviour in relation with these systems possible – and this enables triangulation with perceptions and attitudes collected during interviews. As we mentioned above, observed behaviours in performance meetings were not the intended one. An explanation could be that our interviewees have been insincere. We rather propose to consider that self-identity narratives do not account for unspoken conflicts in self-identity. Being unspoken such conflicts are not part of narratives, but can find an expression in (unintended) behaviour, and further refine analyses based on narratives.

Our claim that management systems are relevant objects for research questions associated with self-identity and related processes is consistent with Maugeri’s (2001) argument that

“[management] systems represent irreplaceable observatories of organizations as social laboratories and of the alchemy of the “self”, of individual and collective identities realised around economic action. Management systems are (...) particularly powerful means of diagnosis of the influence of “macropolitical” constraints on the dynamics of collectives at work” (Maugeri, 2001, p.21, our translation).

### **5.3 Limitations**

Our analysis presents limitations that may have impacted our findings and/or would be worth considering by future research. First, although the positions surveyed were different, as well as persons’ age, seniority and education, our conclusions are constrained by the local specificities of the organization under study.

A first possible influence could be found in the French context. The conception of autonomy in the French society is different from the one infusing the concept of accountability and further, the implemented system aligned with the figure of the enterprising self. Autonomy in France is not defined within a contractual relationship (as it is in the Anglo-Saxon countries) but always contextually defined and it contributes to the nobility of the occupation (d’Iribarne, 2006) – nobility being the key criterion for ranking occupations, as well as other elements of the social world (d’Iribarne, 1989). This latter conception of autonomy corresponds to the type of autonomy our railwaymen perceived they enjoyed in the past and have been losing recently. As suggested by unexpected behaviour in our performance meetings, integrating the figure of the enterprising self into self-identities might thus prove especially difficult in our organization inasmuch as the associated conception of autonomy is not the locally legitimate and “natural” way of perceiving autonomy.

A second contextual influence may also lie in the strong technical “professional” background shared by most of our interviewees, whatever their present functional (accounting) or operational (general management, production) position. The recomposition of the enterprise discourse which we have observed might have been less influential had this strong company-specific technical background been less dominant in this organization. Ongoing changing

recruitment modes and new career paths – i.e. managers with business and management backgrounds which they exclusively acquired before joining the company – can be regarded as likely to lessen the specificities of the local context and to conduce to a more pervasive influence of the EC in the future.

Another concern regards traditions in longitudinal studies in which data are collected on a medium-term basis (five, sometimes ten years or more). In this respect our observations may be considered as providing a rather “static” view of the system change. We are aware that the observed recomposition of the EC discourse is a transient state in a longer-term process, and that additional data would have been valuable both to validate our findings and to gain greater insight into how self-identities develop over time.

## **6. CONCLUSION**

This research opens up various academic perspectives. First, as a concept inter-relating the organizational and individual level, identification to the organization appears as a very stimulating concept for the study of self-identity and identity work in relation with various research themes such as EC, organization change or management system and/or accounting change. Second, management systems appear a fruitful means of accessing a whole range of representations and especially those pertaining to organizational life and identities. Third, this research also suggests that there could be more in self-identity than what is expressed in narratives. In such cases the direct observation of individuals in their working environment can complement and enrich the narrative-based analysis. Finally we suggest that replicating this research in other environments could contribute to assess the validity of our findings, in particular their dependence on the national (French) culture and on the (technical) background of the population studied.

As for practice this research leads to the suggestion that the possible various resonances in terms of identities could be integrated as early as possible in the design stage of new management systems. Design teams are often “technical” teams (information systems and functional [accounting, HRM, logistics, etc.] experts) which seldom have an extensive view on the non-technical stakes attached to the system under development. Self-interests are sometimes integrated inasmuch as developers may be careful about possible deviant usage serving local or personal objectives and interests, but developers are seldom aware of identity questions. However systems may raise identity conflicts and misidentification that are likely to be expressed in various forms of what is generally termed resistance to change. Cross-functional teams, including organization or social science experts, would make such analyses easier.

We are not suggesting here that resistance is something inherently bad that should then be prevented by all means and eradicated. Admittedly resistance causes difficulties for managers implementing a system. But basically resistance is valuable inasmuch as it indicates where sense lies for members, although it may be temporarily disrupted. What we only mean to suggest is that paying attention to identity resonance would sometimes prevent creating identity conflicts which ultimately prove detrimental to both individuals and organizations.

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