Military, 'Managers' and Hegemonies of Management Accounting Controls: A Critical Realist Interpretation

1. Introduction

Given the significance of accounting in the overall control apparatus of organisations, management accounting control (MAC) change is, and perhaps will always be, an important topic for accounting researchers (Bryer, 2006).[1] Empirically, this paper aims to provide an account of why and how a 'new regime' of MAC emerged in a state-owned enterprise (SOE) in the context of changing politico-economic dynamics in Pakistan. In particular, we examine the role of two dominant social groups and their interrelationships in shaping and transforming MAC.[2] We have appropriated Joseph's (2002) work on hegemony as a theoretical basis for this research.

Management accounting researchers have identified the economic interests of dominant social groups, namely the capitalist class and managers, as the major driving force for MAC changes (Hopper and Armstrong, 1991; Armstrong, 2002; Arnold, 1998). In the public sector, it is argued that economic interests or compulsions of the state lead to MAC changes (Broadbent and Laughlin, 1998; Broadbent et al., 2001). While the economic interests of powerful social groups or the state play an important role in bringing about MAC changes, these changes must be implemented, and perhaps accepted, by other (weaker) social groups, e.g. labour (Teulings, 1986); hence, the role of 'politics' becomes important (Oakes and Covaleski, 1994; Wickramasinghe and Hopper, 2005). Politics may involve a combination of different strategies by the dominant groups, including, for example, coercion (Uddin and Hopper, 2001) or consent, by accommodating some of the demands of less powerful groups (Saravanamuthu and

Tinker, 2003) as well as ideological narratives to create a 'buy in' to the intended changes (Yuthas and Tinker, 1994; Ezzamel and Willmott, 1998; Oakes and Covaleski, 1994).

Previous studies have argued that the nature of the relationship between dominant and dominated groups and their respective strategies is crucial in shaping MAC changes (Armstrong, 1989; Bourguignon et al., 2004; Ezzamel et al., 2004).[3] The relationship between dominant social groups within and beyond the organisational setting is also critical in determining the nature and mode of MAC changes (Armstrong, 1987; Ezzamel and Burns, 2005). It is crucial to acknowledge that dominant social groups operate not only at the level of organisations (Ezzamel and Burns, 2005) and professions (Armstrong, 1987), but also within the state. More importantly, relationships between the dominant groups (managers, politicians, military, etc.) within the state may have a very strong bearing on the nature of relationships between the dominant and dominated groups (managers versus labour) and are important for understanding the nature and mode of implementing MAC changes, especially within public sector organisations. We believe that this relationship between dominant groups within the state is not adequately understood in the extant management accounting literature. This paper fills this gap by exploring the relationship between two dominant social groups within the state and its implications for MAC changes in a state-owned entity.

Economy and politics in Pakistan have been subject to volatile changes since the country gained independence in 1947. The military has always been a dominant group in Pakistan. The last military coup took place in 1999, when General Musharraf ousted the civilian government on charges of corruption and bad governance leading to poor economic conditions. However, this changed after the 2001 terrorist attacks in the US,

which made Pakistan a front-line ally of the West in the war on terror. International financial assistance and loans began to flow into Pakistan, but with certain implicit and explicit conditions regarding reforming the economy and, in particular, SOEs (Dee, 2012). This led to the rise of a second dominant socio-economic group, economic technocrats (private sector managers) in the state, especially the SOEs.[4] The empirical site for this research was the Civil Aviation Authority (CAA), the organisation responsible for managing the aviation affairs of the country, set up by the Pakistan Air Force (PAF) in 1982. The Ministry of Defence (MoD) and PAF became the central actors in the strategic and day-to-day activities of the organisation. In 2006, as a result of reforms initiated by the Prime Minister, the CAA underwent a series of management accounting and control changes linked to the rise of the second dominant group. Thus, this case presents us with a unique opportunity to study the dynamics of the relationship between two dominant social groups, namely the military and managers, and its implications for MAC changes. Utilising Joseph's (2002) work on hegemony, this paper aims to explain the changes in MAC practices in an SOE by linking them with structural reasons for shifts in the hegemonic arrangement emerging at the national level, the cascading down of this arrangement to the case organisation, and the political strategies of the players in the 'power bloc' within the case organisation.[5] This will be detailed and justified in later sections of the paper.

The paper begins with a brief analysis of the existing literature on hegemony and MAC change to identify gaps that the current research aims to fill. Section 3 describes the basic tenets of critical realism and the concept of hegemony seen through the lens of critical realism, and provides justifications for its use in the current research. Research methods

are presented in Section 4. The empirical findings are then presented, followed by the discussion section. The concluding section summarises the theoretical and empirical contributions of the research.

2. Hegemony and Management Accounting and Control Change

The notion of control and domination has been often linked with the economic interests of powerful social groups in the traditional Marxist school of thought (Neimark, 1994; Bryer, 2000). Accounting researchers in this tradition tried to explain MAC changes by linking them with the efforts of capitalists to control the labour process in, for example, the US steel and textile industry (Hopper and Armstrong, 1991) and the British cotton industry (Toms, 2005) during the eighteenth and early nineteenth centuries, and British manufacturing industries during the British industrial revolution (Bryer, 2005).

The Marxist notion of economic relations between labour and the capitalist class as the sole foundation of social relations was later challenged and refined by neo-Marxist scholars (e.g. Gramsci, 1971; Althusser, 1970; Poulantzas, 1967; and Burawoy, 1983) using the notion of hegemony. While maintaining that the domination of certain social groups, for example capitalists, remains an important condition for the reproduction of capitalist modes of production, these scholars discounted the significance of the market whip as the main element of this control (Burawoy, 1983). Instead, they emphasised the role of politics and ideology in maintaining this domination, a phenomenon generally known as hegemony.

Researchers have also highlighted the central role of the state in maintaining the domination of certain social groups over others primarily by generating consent amongst the dominated groups rather than through coercion (Althusser, 1970; Burawoy, 1983). It

is argued that material concessions, such as social welfare and minimum wages, as well as ideological narratives disseminated through the media, education and religion contribute to the manufacturing of consent (Gramsci, 1971; Burawoy, 1985; Althusser, 1970). It is also argued that, for a state to perform this function of hegemony, it must forge an alliance between different social groups with various interests to create a power bloc (Poulantzas, 1967; Gramsci, 1971). Aided by the state, the groups in the power bloc reinforce their ideologies, or provide material concessions if necessary, to place them in a position to dominate the entire sphere of social and political lives (Gramsci, 1971). Dominated groups, on the other hand, may organise open or subtle resistance to dislodge the power bloc (Gramsci, 1971). We would argue that the study of management control and hegemony must thus involve an exploration of this tripartite relationship between the state, the dominant groups (the power bloc) and the dominated groups.

This tripartite relationship has been subject to some radical shifts in the recent past, in both private and public sectors. In the private sector, mobility of capital has increased the power of dominant groups (especially capitalists) over dominated groups and over the state (Burawoy, 1983). In the public sector, which is of greater interest to us in this research, the advent of a new public management (NPM) regime has caused a major shift in the nature of the tripartite relationship. Accounting researchers have explored changes to the tripartite relationship and MAC on two levels: the injection of NPM ideas into public sector controls and the privatisation of public sector firms.

Accounting researchers exploring management control changes in the context of privatisation have appropriated the notion of hegemony (Uddin and Hopper, 2001; Alawattage and Wickramasinghe, 2008).[6] Employing Burawoy's (1979, 1985) idea of

factory regimes (hegemonic arrangements), Uddin and Hopper (2001) demonstrated how a privatisation programme by the state resulted in the creation of a different 'production regime' that had an influence on shop-floor controls. Controls became more coercive, with redundancies, the casualisation of workers, and top-down budgeting with strict physical targets. Alawattage and Wickramasinghe (2008), applying the notion of hegemony and the concept of practice advanced by Connell (1987), found the labour on a privatised Sri Lankan tea plantation firm to be controlled by a complex myriad of market realities, age-old ritualised practices, and beliefs of labour about their own welfare. The dominant groups –local politicians and owners of these plantations – engendered and perpetuated these beliefs and practices to serve their own economic and political interests. Similarly to the studies cited above, a number of other accounting studies have explored the strategies of capitalists and senior management to control labour and first-line managers in fully or partially privatised firms (Wickramasinghe et al., 2004; Wickramasinghe and Hopper, 2005).

Accounting researchers have also explored how economic pressures combined with a new NPM ideology drive the state to effect major changes in MAC practices within public sector organisations (Ezzamel and Willmott, 1993; Cooper and Neu, 1995; Edwards et al., 1999; Ezzamel et al., 2004; Ashraf and Uddin, 2013). Goddard (2005) has linked the emergence of new accounting practices in local governments in the UK to a new post-Fordist hegemonic arrangement between the state, the economy and civil society. Similarly, accounting researchers have studied cases in which new public management-inspired accounting and control changes have been introduced by the state in, for example, the fields of health and education, areas that had not previously been

exposed to the logic of economic efficiency (Lawrence and Sharma, 2002; Broadbent et al., 1996). In some cases, changes have been seen as a contested process, with resistance to proposed changes inspired mainly by private sector ideals, whereas in other cases changes have been implemented through consent (Dent, 1991; Broadbent and Laughlin, 1998; Broadbent et al., 2001).

The body of accounting literature that explores MAC changes in the context of this tripartite relationship between the state, the dominant groups and the dominated social groups is extremely insightful. However, we believe that important facets of this phenomenon remain under-explored. First of all, in most of these cases, especially where interaction between the state and dominant social groups within a field is explored, the state is theorised as a monolithic entity with a single logic of action (March and Olsen, 1984). However, as the organisational and political science literature demonstrates, the state comprises multiple institutions, many of which are contradictory in nature (March and Olsen, 2009). These multiple contradictory institutions prescribe various logics of action, thus creating space for different social groups to advance their interests (March and Olsen, 2009). For instance, social groups such as general practitioners and teachers have been found to resist controls introduced by the state on the logic of 'economic efficiency', using the notions of 'care' or 'quality of education' (Broadbent and Laughlin, 2001). Within the state, it is generally dominant social groups that are able to manoeuvre institutions or exploit institutional contradictions in their efforts to assert their hegemony (Jessop, 1994). MAC changes introduced by the state (or within state-controlled organisations) thus need to be seen in the context of power struggles between different social groups aiming to assert their control within the state.

Secondly, while much emphasis has been placed on the relationship between dominant and dominated social groups (capital/managers versus labour), the relationship between dominant social groups within the state has not been explored in detail. For example, what factors lead to the emergence of dominant social groups and the creation of a new power bloc? What are the strategies, actions and conflicts of these dominant social groups in forming the power bloc? Perhaps more importantly, what are the implications of these relationships/interactions between the dominant social groups in shaping the content of MAC changes and their consequences for the dominated groups? The answer to all these questions may help us obtain new theoretical insights about MAC changes in organisations operating in the public sector.

Thirdly, some MAC changes are bitterly contested while others are accepted without resistance (Dent, 1991; Broadbent and Laughlin, 2001). A traditional critical analysis may invoke the notion of hegemony to deal with this issue by suggesting that it depends whether the dominated social groups are hegemonised by the ideological narrative that accompanies the MAC changes made by the dominant social groups. But what creates the ideological appeal of the message that comes from the dominant social groups? This question inevitably leads us, first of all, to consider the conditions of the emergence of the power bloc, the relationship between the dominant social groups within the bloc, and their actions and strategies vis-à-vis each other.

Thus, we have sought to appropriate a theory of hegemony – in particular, the critical realist theory of hegemony – that encapsulates the conditions that lead to the rise of a power bloc, as well as the actions and strategies of members of the bloc. Section 3 provides further details of this.

3. Critical Realist Theory of Hegemony

Joseph's (2002) work is based on a fundamental critique of existing research on hegemony. Joseph argues that researchers tend to either over- or under-emphasise the structural and agential roots of hegemony, and hence he calls for analytical dualism, a methodological framework that is the hallmark of critical realist philosophy, to gain a better insight into hegemonic arrangements and struggles.

Critical realism is a social science philosophy, pioneered by Roy Bhaskar (1979, 1997), which attempts to explain social phenomena through the concepts of emergence, depth ontology, and dualism. When individuals form collectivities, such as an economic mode of production or a bureaucratic organisation, these collectivities have emergent powers and properties that are different from those of the individuals. Once formed, these collectivities, referred to by critical realists as structures, provide the holders of positions within a structure (capitalist, chief executive officer) with powers and interests that 'push' them to act in a certain manner (structural tendencies). However, they also have agential powers and properties, including the power to reflect. These 'agents' weigh up structural pressures arising from the 'positions' that they occupy to decide on an appropriate course of action.

According to critical realism, since agents inhabit multiple structures simultaneously, their actions cannot be predetermined. The interaction of different structures (political, economic, social, etc.) and their mediation through human agency cause empirical events. In order to explain an empirically manifested social phenomenon, it is important for researchers to identify first the structures (and their associated tendencies) and then the human agency, a concept known in critical realism as analytical dualism (Archer, 1995;

for an example of critical realist research employing analytical dualism in management accounting change, see Stergiou et al., 2013). Drawing on analytical dualism, Joseph (2002) suggests that any explanation of hegemony should involve an explanation of both the structural reasons for its emergence and the experiences and actions of various agents.

Joseph (2002) argues that existing structural conditions create incentives for dominant groups to win the consent (or control) of others, either to maintain existing structures or to bring about minimal change to ensure that they maintain their dominance. Hegemony, therefore, plays a role in ensuring structural reproduction and social cohesion (Joseph, 2002, p.38). A central concept in Gramsci's (1971) theory of hegemony is the formation of a 'power bloc'. The structural tradition of hegemony, especially in earlier studies, finds that the state plays a central role in mobilising hegemony by developing 'power blocs' (alliances between factions and classes with various interests) and generating consent within society (Althusser, 1970; Gramsci, 1971; Poulantzas, 1967; Burawoy, 1983). Most accounting research inspired by the concept of hegemony has a 'structural' slant to it whereby MAC changes are linked to the need to control labour, thus reproducing the economic structures, involving the role of the state (Wickramasinghe and Alawattage, 2012, p.469).

However, the state is also the terrain in which the hegemonic projects of various groups unfold as they vie to promote their vested interests by generating consent or coercion (Joseph, 2002). This is the agential aspect of hegemony, which involves the strategies of agents, including using alliances, concessions, compromises and, where necessary, coercion. This view of hegemony attaches importance to the relationships between different groups and their experiences as influenced by a hegemonic system of meanings

and practices (Williams, 1982). In this school of thought, class and hegemony are not static but are shared and lived experiences. In Thompson's (1978) narrative, hegemony is an active agential project designed by dominant groups through a complex process of negotiation and bargaining. Agential theories of hegemony have inspired organisational researchers to explore hegemonic struggles between dominant and dominated classes within organisations, or within organisational fields, and their implications for organisational control (Humphreys and Brown, 2002; Sallaz, 2004; Brown and Coupland, 2005; Brown and Humphreys, 2006; Degiuli and Christopher, 2007). This hegemonic struggle between groups means that strategies followed by the state may not always be in the best interests of the reproduction of economic structures. However, given their importance, state strategies cannot be devised with a total disregard for the demands of economic structures, i.e. the structural aspect of hegemony.

Combining the structural and agential aspects of hegemony, Joseph's theory of hegemony (2002) is an attempt to present Gramsci's work in a critical realist light. Joseph (2002) asserts that, in order to extend Gramsci's concept of hegemony in a realist direction, it is important that the formation of the 'power bloc' is linked with the necessity for the reproduction or transformation of existing social structures through an elaborate political strategy (Joseph, 2002, p.28). This theory is especially helpful for organisational researchers because it provides a framework of analytical dualism that helps operationalise the concept of hegemony.

In Sections 5 and 6, this framework will be operationalised by analysing the structural conditions that led to the emergence of the military as a dominant group in Pakistan and within the case organisation. The paper will examine MAC practices within the case

organisation and their links with the ideology and interests of the military, the dominant group. It will then analyse the changed structural conditions that caused another social group (the managers) to become powerful in the national politics and in the case organisation, leading to hegemonic struggles between the two social groups as each group tried to assert the MACs espoused by its own ideology. The agential part of our theoretical framework helps us to understand the hegemonic projects of the two dominant groups and their effect on the MAC practices in our case organisation. The hegemonic struggle eventually resulted in a truce between the two powerful social groups, thus forming a power bloc. The hegemonic struggle and the conflicted compromise had implications for the nature of the MAC changes that were eventually agreed between the two powerful social groups, and for the manner in which these changes were implemented within the case organisation.

4. **Research Methods**

Conducting an intensive case study in traditional settings is fraught with difficulties (Uddin and Choudhury, 2008). Accessibility to the research site and the extraction of rich data from it is a challenge (Devereux and Hoddinott, 2002). Fortunately, in this case, one member of the change team was a former student of the first author. This connection opened doors to us. The data were collected over a span of six months in 2008. Apart from collecting documentary evidence, we conducted interviews with relevant personnel.[7]

We began interviews at CAA headquarters with top management, represented by the directors of various functions, followed by interviews with their immediate juniors and members of the change team. Selection criteria for the interviews were based on the

principle of theoretical sampling (Mason, 2002). Our research approach demanded that we capture the views and actions of members of various groups within and outside the CAA vis-à-vis different MAC practices. We also needed to trace the origin of those management control practices that were subject to change efforts by the current managerial regime. This necessitated interviewing retired officers, some of whom were among the founders of the CAA. Since the CAA was only twenty-five years old at the time of the data collection, we were able to interview some key agents, including two former Director Generals (DGS, chief executives) of the CAA. We also interviewed former officials who had been involved in setting up the finance function in the early years of the CAA. These interviews provided key insights into the military ideology and how it shaped the management control practices of the CAA, as well as considerable information on early MAC practices.

As far as analysis of the data is concerned, we followed the critical realist tradition. This approach requires social changes (in this case, changes in MAC) to be explained by identifying structural conditions as well as the agency of different actors. Our first task was thus to identify the structural conditions that led to the emergence of the military as a dominant social group within the state as well as within the case organisation. An important data source that helped us to identify the structural conditions leading to the emergence of the military as a hegemonic force at the national level was a review of the political and social literature (Jalal, 1995; Talbot, 1998, 2003; Ahmad, 2004). In order to identify the changed structural conditions at the time of the military take-over in 1999, we conducted a review of scholarly works by political economists (e.g. Kukreja and Singh, 2005), as well as a review of articles published in national and international

newspapers.[8] These news reports proved very useful for developing a general understanding of the changed structural conditions that paved the way for the second dominant social group (the managers) to emerge on the national scene as well as within the case organisation.

Analysis of the interviews was of crucial importance in identifying the structural conditions that led to the dominance of the military and, later on, the rise of the managers as a second dominant group within the case organisation. The focus of our data collection was on management control practices, specifically their evolution and efforts to change them. Identification of the structural hegemonic conditions required us to trace management control practices back to structural conditions. A key series of questions that helped us to identify the structures at work included: "What does the existence of this object (in this form) presuppose? Can it exist on its own as such? If not, what else must be present? What is it about the object that makes it do such and such?" (Sayer, 1992, p.91). These questions normally take the form of tracing actions back to rules and thence to structures (Sayer, 1992, p.112). For example, there was a practice that the MoD authorised the allocation of routes to different airlines, including the national airline, which was not in line with accepted aviation practices around the world, where aviation regulators make such decisions independently. We traced this practice back to aviation rules. However, the most important question from a critical realist perspective is: "Why these rules?" (Sayer, 1992). This, in turn, led to the identification of structures that would 'cause' the MoD to enact and implement such rules and incentivise one entity (the MoD) to exercise dominance over another.

A review of the archival data, historical commentaries and interviews with individuals (with a focus on tracing back from empirical MAC practices to structural hegemonic conditions) helped us identify that there were two clear eras of MAC practices in the history of the CAA. The first era – identified as the military hegemony – ran from the inception of the organisation until 2006. The second era started when a new DG took charge of the organisation in 2006, a time when the 'managers' also became a dominant group within the state. Analysis of interviews and documents revealed a desired 'break' from the past and the identification of new 'ideal' MAC practices. This was the domain of agency, and our analysis in this phase sought to understand the hegemonic struggles between the two dominant groups in their efforts to dominate the social landscape.

The first-cut analysis of interviews, newspaper items and official correspondence between the MoD and the CAA clearly reflected a struggle for control between the two groups during the second era. At this level of analysis, we analysed the data (interviews, intra-organisational memos, inter-office correspondence between the MoD and CAA, news items), paying closer attention to the ideologies, intentions, interpretations and actions of various agents, including the two dominant groups as well as dominated groups such as labour and lower pay-group officers. A coding scheme was used to identify the actions, reactions and ideologies of the two dominant groups as they tried to change or resist changes to specific MAC practices. This was an iterative process with continuous shifts back and forth between the data, the theoretical scheme (realist notion of hegemony) and the codes. For example, our data revealed that the managers suggested that power to make decisions relating to aviation rights should be vested in the 'managers' running the organisation. They contended that this was how it was done in

'modern' aviation organisations internationally. In the initial coding scheme, we coded the action as 'modernising the organisation'. However, further analysis of the data, as well as our theoretical orientation, resulted in this action being eventually classified as a 'frontal attack' by the managers on the military. This analysis helped us to develop a theoretical scheme that captured the dynamics of the hegemonic struggle between the two dominant groups. The analytical scheme that we eventually developed was shared with peers to ensure that it satisfactorily captured the process of the hegemonic struggles and their outcome regarding the content of the MAC changes, their ideological consistency, and the manner in which these changes were implemented.

5. Emergence of the Military and the Military Hegemony

Joseph (2002) stresses that understanding the formation of historical power blocs is crucial to understanding the structural roots of hegemony. In our case, the military was the most dominant group in Pakistan. As Gramsci (1971) suggests, certain political, economic and cultural conditions must be present for a group to assert itself as dominant. These structural conditions and their implications for MAC in the CAA are examined in Section 6.

The roots of military dominance in Pakistan can be traced back to the British legacy of bureaucratic and authoritative control (Jalal, 1995, p.18). During their rule in India, the British relied heavily on the institutions of civil and military bureaucracy. The violent partition of India and Pakistan was immediately followed by disputes over areas and states adjoining the two countries, with both states claiming rights to these areas, thus triggering armed conflicts between the two. Although weak in terms of resources, Pakistan's military was immediately strengthened by its acquisition of military resources,

primarily through foreign loans, to ward off risks on both eastern and western borders (Talbot, 2003). With the further acquisition of resources, this already strengthened organisation became a strong military body.

Two wars with India, in 1965 and 1971, seemed to fuel an already ingrained sense of insecurity in the minds of the Pakistani people, which further strengthened the military institution (Ahmad, 2004). Unlike neighbouring India, Pakistan's weak political organisation tipped the balance in favour of a military bureaucracy (Jalal, 1995; Talbot, 1998). Pakistan became a state in which 'national interests' became synonymous with 'defence interests' or 'national security' (Ahmad, 2004). While there were short periods of civilian rule in the 1950s, 1970s and 1990s, every civilian administration eventually culminated in the return of martial law. Military governments enacted laws creating mandatory quotas for the appointment of military officials in civilian organisations, which resulted in the expansion of the military's influence across the state, civil society and the economy, including the case organisation, the CAA. Section 5.1 illustrates how the dominance of the military affected management controls at the CAA following its inception in 1982.

5.1 Management Accounting Control: The Military Hegemony (1982-2006)

As an autonomous entity, the CAA had its own board of directors. While the board comprised seven members representing several ministries, the MoD remained in control of appointing key officials and taking strategic decisions.[9] The MoD was granted two permanent positions on the board, including the position of Chairman of the Board of Directors. These provisions were included in the CAA Ordinance, with a clear intent to ensure that the CAA would remain under the control of the MoD so as to protect the

'national interest'. For example, officials of the MoD pointed out that setting up an airport in the country was not simply a commercial but also a 'strategic' decision made on the basis of 'security interests' to protect the 'national interest'.

The CAA regulated Pakistan's airspace for civilian purposes and was thus interested in allowing more national and international airlines to fly to and from Pakistani airports. However, this was not in the interests of the Pakistan International Airline (PIA), a state-owned 'national flag carrier' controlled by the MoD. In order to protect PIA, the Ministry would not allow the CAA independently to exercise the right to license airlines to fly. This MoD control over the affairs of the CAA also extended to routine operational matters, such as appointments and transfers.

Unsurprisingly, the ideas and principles of military institutions, such as the PAF, had a major impact on organisational structure, recruitment and promotion in the CAA, reflected in its matrix structure. They also influenced accounting, cost management practices and the performance evaluation system. Table 1 summarises the ideology of the military and its implications for management controls at the CAA.

[Insert Table 1]

Safe aviation was the central philosophy and main driver of operational controls that formed the bulk of management controls of the CAA during the military hegemony. As will be explained below, MAC was designed to achieve operational effectiveness, with economic efficiency as a secondary concern. This was reflected in the vision statement of CAA: "promote a safe, efficient, adequate, economical and properly coordinated civil air transport service and control and regulation of civil aviation activities" (CAA Ordinance 1982, Section 5(2)).

The organisational structure of the CAA was developed along the same lines as the PAF, being divided into four major functional areas called directorates: operations, maintenance, administration and electronics. Unsurprisingly, following the PAF tradition, the operations directorate, also called air traffic control (ATC), was considered the main directorate, with the other directorates playing supporting roles. ATC had the most privileged status and was allotted the most senior positions. This policy of appointing air traffic control personnel was also in line with the PAF ideology of 'safety first'. Comments made by a former DG of the CAA reflect the same sentiment:

In every organization there is a VIP crowd. In the air force, the VIP crowd is fighter pilots, and in CAA, your VIP group had to be ATC (Air Traffic Control) guys. One of them is going to become your DG one day … What if there is an emergency at the airport? Say an emergency landing – the airport manager has to act as a bridge between Air Traffic Control and a host of other departments. He can only perform his job effectively if he knows ATC operations.

In line with PAF management philosophy, the airport manager, appointed by the ATC, was also granted immense power within the CAA. The airport manager was responsible for both operations and management, i.e. for virtually all activities taking place at the airport. Therefore, officers of all directorates working at airports were placed under the administrative control of the airport manager.

Given the power and scope of the ATC, career progression was much easier in this directorate, as many officers commented. Officers in other directorates had been on the same pay grade for more than fifteen years, while officers in ATC had been promoted twice in the same time period. This created considerable resentment among the officers.

The domination of the ATC (combined with continuous direct appointments from the PAF) meant that employees of other directorates were rarely able to reach senior positions within the CAA. There was also a divide between 'staff' and 'officers', and between 'staff' and 'daily wagers'. According to 'military rules', the lower-grade employees (staff) were kept on a tight leash from the outset and were not allowed to form an organisation for the collective pursuit of their demands. This, and the domination of PAF 'ideas' over the working of the CAA, was a constant source of dissatisfaction among employees at all levels.

The ideology of the PAF was also crucial with regard to managing costs and measuring performance. For example, in referring to the CAA's priorities, a close aide of the first DG of the CAA said:

You see, his priorities were as follows, in the order in which they came: firstly, operational efficiency, i.e. airworthiness, radars, fire engines etc.; secondly, facilitation, i.e. security and upkeep of furniture etc.; and thirdly, revenue, i.e. where it is being spent...

In order to maintain operational controls and efficiency, accounting played mainly a stewardship role bounded by the ordinance and the laws. Pressure to manage costs proactively was minimal at the CAA. Any outflow of economic resources necessitated extensive documentary support and multiple authorisations to ensure that money was spent efficiently and in accordance with the approved budget. The main focus of this system was to ensure that there was no embezzlement of funds. An ex-senior manager (military background) commented: "What we didn't want was a *ghapla*

[fraud/embezzlement of funds]. Our reputation was at stake. The Air Force's reputation was at stake. We couldn't afford that."

Earning financial resources was important only so that these could eventually be spent on infrastructural development. A first-generation senior financial officer described their approach as a desire to "earn and burn". The same approach was followed by all incoming DGs, almost all of whom belonged to the PAF. Economic feasibility took a back seat to the overwhelming presence of military institutions and their command and control strategies. Firstly, these institutions set certain primary objectives for the organisation, which were to ensure the safety of air traffic and to develop an aviation infrastructure for this purpose. Thus, economic criteria never appeared in managers' decision-making frames. These decision-making orientations made certain kinds of control more important in the day-to-day running of the organisation, targeted primarily at the organisation's operations. The role of accounting in this scenario was therefore of a different nature: accounting information had little influence in business decisions. For example, in order to start new projects, the only role of accounting information was to reveal to the CAA top managers how much money was available, and what, if any, was the shortfall. The economic inflows and financial viability of projects were of no real concern.

Unsurprisingly, accounting also played a limited role in performance measurement. The performance measurement system hinged on annual confidential reports (ACRs), an age-old symbol of military and civil bureaucracy in Pakistan. An ACR was written at the end of each calendar year for each employee by their immediate manager and counter-signed by the manager's immediate superior. The counter-signing authority had the right to

overrule the original assessment. The ACR for each employee was filed in a dossier known as his or her 'character roll', and the relevant authorities could refer to this dossier to reach decisions on the promotion, posting or training of the employee concerned.

In summary, we have identified the structural conditions that led to the emergence of the military as a powerful player in the country. These included political and ideological conditions stemming from the historical circumstances under which Pakistan came into existence and the rather hostile geopolitical conditions in which it had to operate. The superior organisation of the military and its resource richness enabled it to assume a dominant position with regard to the country's political and economic structures. The ideology of national security was another important factor that maintained the hegemony of the military over the state of Pakistan (Ahmad, 2004). However, for a group to remain in a dominant position, the underlying political, economic and ideological structures must be reproduced (Gramsci, 1971); any breakdown in these structures may result in social upheaval, which may not be of benefit to the dominant groups. As explained in Section 6, poor economic conditions in Pakistan led to the rise of a new dominant group – 'managers' – who had their own interests and supporting ideology, with implications for MACs within the CAA.

6. Emergence of a New Power Bloc: The Military and the Managers

Pakistan's successful nuclear tests in 1998 resulted in international economic sanctions (mainly in the form of the withdrawal of economic aid) but gave credibility to military institutions in Pakistani politics. However, this posed new challenges for the state in the form of economic problems. Financial sanctions by the West affected the country's economy to the point where it became almost bankrupt. In 1999, General Musharraf, the

then army chief, overthrew the elected government, citing serious economic problems and corruption in the country. In his first address to the nation, Musharraf promised to deal with the economic crisis and with corruption in state entities. To this end, a high-ranking official of Citibank, Mr Shaukat Aziz, was appointed Finance Minister of Pakistan.[10] This was, perhaps, the beginning of the emergence of a new 'power bloc', a bloc which emerged out of a necessity for the state to improve its economic performance. In addition to defence personnel, the new bloc included economic experts and private sector managers.

The 2001 terrorist attacks in the US made Pakistan a front-line ally of the West in the war on terror, and international financial assistance and loans again began to flow in. At the same time, this new relationship had immense material and symbolic benefits for the military, as it legitimised military rule in Pakistan. Under military rule, general elections were held in 2002 and, as expected, a pro-military government came into power. Musharraf assumed the position of President in the new set-up, without relinquishing his position as Chief of Army Staff.[11] Economic control was handed over to the Finance Minister, who had developed a reputation as a good economic manager over the previous two years.[12]

In 2004, Aziz was made Prime Minister, giving impetus to his efforts toward economic reforms.[13] Aziz immediately stressed the importance of a 'result-oriented culture' in the governance of the country (Frontier Star, 2004). In order to operationalise this 'result-oriented culture', in his very first meeting with his cabinet the Prime Minister asked cabinet members to prepare 'quantifiable goals and targets' (ibid.). He believed that 'from the[se] goals and targets [would] emerge the vision of [his] government' (The

Pakistan Newswire, 2004). The tasks and targets set for the cabinet were supposed to be reviewed on a quarterly basis (Frontier Star, 2004).

Aziz was trying to run the federal government in a corporate style, something with which he was more familiar than the military generals and the civilian bureaucracy. However, political commentators in the country were clear that, in this power-sharing arrangement between himself and General Musharraf, the latter carried more weight. In fact, when Shaukat Aziz became prime minister, this arrangement was often discussed and reported by political analysts.

> *Shaukat Aziz in many ways fulfils the same criteria on which [the previous prime minister] was selected: he does not have any independent political support, and he is a [General's] loyalist who would not hinder General Musharraf's rule. Where Aziz differs from the previous prime minister is in his technical and intellectual skills. A former international banker, Aziz is credited with turning Pakistan's economy round when it was on the brink of bankruptcy* (Idris, 2004).

In order to accelerate the process of economic revival, the new government of Prime Minister Aziz decided to follow the same approach in all public sector corporations, i.e. requiring them to prepare business plans setting quantifiable profit targets and to measure these periodically. Furthermore, in order to give further impetus to these initiatives, the new government started to appoint private sector business managers as executive heads of state-run corporations and organisations. The CAA was one of the first public enterprises subject to these reforms. Section 6.1 discusses the hegemonic struggles between the two social groups as each group tried to assert MACs espoused by its own ideology.

6.1 Management Accounting and Control: Military and Managers (2006 Onwards)

The CAA's change programme began when the Prime Minister, as part of his efforts to 'reform' public sector organisations, convened a meeting of CAA senior officials (most of whom had a military background) to assess their progress. The instructions from the Prime Minister's office were that the profit potential of the organisation should be assessed and tapped. In an effort to reorient public sector firms towards commercial success, the Prime Minister decided to appoint ex-managers of large and commercially successful private sector firms as executive heads of public sector firms. Therefore, in 2006, the former head of a large international oil marketing firm was appointed as DG of the CAA, replacing an ex-PAF DG. This was the first time that a private sector business manager had been appointed as executive head of this military-dominated civilian organisation. It was a state gesture privileging economic expertise.

The new DG was appointed on a two-year contract with a mandate from the Prime Minister "to bring about change in an old style SOE that has not been able to do much in the past". Appointment of a new DG ushered in an era of political manoeuvring to assert the hegemony of two social groups, military and managers – the terrain of the agential aspect of hegemony. Table 2 presents the managerial hegemony and its 'desired' MAC at the CAA. The process began with a frontal attack by managers on the military hegemony, seeking to assert control in the name of 'modern day management'.

[Insert Table 2]

6.1.1 'Frontal Attack' by Managers

In order to kick-start the change process, the new DG immediately formed a small change team. The common characteristics of the change team were that they were all relatively young and well-versed in the latest managerial trends (almost all of them holding business-related degrees, which was uncommon in the CAA), and they were all mid-level managers. The mandate of the team was to identify changes that needed to be brought about in the CAA.

The new DG was clear about the basic change required in the CAA, which was to make all aviation-related decisions on an economic basis. On the issue of protecting PIA, he had publicly stated:

> *The existing aviation policy provides a non-level playing field and protects one airline, which does not allow the aviation sector to grow in the country and international airlines to come into Pakistan ... By protecting PIA,* [we have] *not done it any service but weakened it. There is a need for competition...* (Khaleej Times, 2007).

The general views of the change team regarding the problems facing the organisation included the undue influence of military institutions; overstaffing; an excessively tall and top-heavy organisational structure; the dominance of air traffic control; outdated managerial practices, such as the obsolete performance measurement system; and a lack of requisite business expertise.

A number of suggestions was made by the change team. The biggest suggested change was independence of the CAA from the MoD in making licensing and other decisions.

Other suggested changes included dividing the organisation's structure into three separate functions: regulatory, air traffic control, and airport management. While the first two of these already existed to a certain extent, the change team suggested that airport management should be treated as a separate 'business'. This effectively meant that the aviation side of the airport would be managed by air traffic control personnel, while the passenger side would be handled by personnel with expertise in passenger facilitation, security and commercial aspects. At the Senate Standing Committee on Defence, the DG of the CAA commented:

> *Air traffic controllers used to become ... airport managers. Now we are saying these are two separate roles ... we did not have trained people to handle passengers. They were not trained on that aspect. They were not trained on the aspect of facilitation ... [or] airport security.*

Downsizing the organisation from top to bottom was another important aspect of the change process. At the top level, approximately 87 general managers (third level from the top) worked within the CAA, and the change team suggested cutting this number to 52. Similarly, there were 18 director-level positions (second level after DG), which were cut to 12 in the change team's proposed plan. The change plan also involved the appointment of 'the right person for the right job', which, in turn, meant reduced influence of the MoD regarding appointments within the CAA.

As part of efforts to 'convince' middle and senior managers of the CAA about the relevance of the suggested changes in 'modern times', a three-day re-structuring exercise was arranged by the change team and the new DG. Professors from a top local

management school were hired for this purpose. In his inaugural address, the new DG said:

> *The CAA is to be steered towards a new direction so that it can function in harmony with the modern day aviation sector and, therefore, have a working setup accordingly… The change in the CAA is part of a constant process to meet the requirements of the modern aviation era so as to get better results… We want that everyone in the organization should own CAA and perform his responsibilities as such… success is awaiting us, but for this, everyone will have to work hard to switch over to meet modern-day requirements* (Associated Press of Pakistan, 2006).

In order to start the 'switch over' process, the consultants used texts (e.g. Harvard Business Review readings) and talks on modern-day management to convince the audience about 'modern' ways of managing organisations. Existing management controls instituted by the military were thus implicitly presented as outdated and obsolete.

6.1.2 The Military's Response: 'Counter-Attack'

The military began with a full-blown counter-attack on the managers, questioning their credentials for managing the aviation authority. This was manifested in the very restructuring workshop being conducted by the managers to mount an ideological attack on 'military ways of management'. The Secretary of Defence, who was the chief guest on the concluding day of the workshop, began his address by saying that the CAA was not a private sector organisation in which a few managers could sit together and change its direction. He also emphasised that no one was at liberty to change the basic vision enshrined in the ordinance (CAA Ordinance, 1984). This was the start of a series of

retaliatory counter-attacks by the military on the managers, which included a memo written by the MoD to the Prime Minister's secretariat, questioning the credentials of the newly appointed DG:

> *Being highly technical and complex ... Civil Aviation Authority top management should have adequate experience, knowledge and expertise to lead these organisations ...* [The new DG of CAA] *might have had vast experience in running the business organisation(s) but he does not possess any experience to run a technical and complex organisation...* (The News, 2007).

The MoD had serious concerns about the 'intentions' of the new managerial regime. According to an interviewee from the MoD:

> *Everyone has an angle to 'change'.* [The new DG] *wanted more power ... there was no need for any restructuring as such, as the rules and structures were good enough. The best way to do it was to implement the rules and regulations and to bring good governance to the organization.*

Immediately afterwards, a memo was written by the MoD to the new DG expressing similar sentiments. The military invoked the notion of national interest to resist such efforts. According to an official representing the military:

> [The new DG] *wanted to have the right to decide on his own as to which airline should be allowed to fly into the country without the consultation of the MoD. Now this could have harmed the PIA and was unacceptable to the government ... It would be unacceptable to any government ... Even a person like Shaukat Aziz would not allow such things.*

The new DG felt that the change programme might be crushed in its infancy, so he approached the Prime Minister to intervene and salvage the programme. The Prime Minister came to his rescue, instructing the relevant state institutions to reconsider the change programme.[14]

6.1.3 Conflicted Compromises: A Fragile Alliance

The reconsideration involved removing some issues from the change agenda including, most importantly, continuation of the existing arrangement, whereby the MoD would control aviation licensing and have a right to appoint personnel in the CAA. In return, the MoD and other state institutions allowed the CAA to continue with the change programme. This was difficult for managers to accept, but they had no alternative. In an interview, one manager commented:

> *You see, there are certain power bases within the CAA. These power bases consider it their right to appoint people in the CAA. Now there were two approaches that we could have taken. We could either have gone for a confrontational approach saying that things will only work [our] way ... We took the latter approach.*

This unstable compromise between the dominant groups at the organisational level re-shaped the changes originally proposed by the change team. To a certain extent, a similar compromise was made at the national level. This was unlike the Fordist compromise (Gramsci, 1971), in which state policies on wage increases, full employment and other welfare policies were a way of 'appeasing' the working class to ensure their consent and the continued dominance of capitalist and allied groups (e.g. labour aristocracy). In this

case, policies of state, such as the tasks and targets of each of the ministries, business plans and the appointment of business managers as heads of public sector corporations, were part of the process of the formation of this new 'power bloc'.

Under this new arrangement, appeasing the working class was not a concern. Rather, low pay-grade public employees were identified as 'inefficient' because they did not fear heavy disciplinary actions. In order to address this problem, the Removal from Service Ordinance 2001 was promulgated by the state, making it easier for seniors to remove inefficient public servants. This new arrangement cascaded down to the case organisation, in which the military had formerly been the only dominant group.

6.2 Changes to Management Accounting and Control

As part of the new arrangement, the military and managers were to form a new power bloc, with serious implications for the new MAC regime. Table 3 summarises the MAC changes within the CAA as a result of the conflicted and unstable compromise.

[Insert Table 3]

6.2.1 Taller, Broader and More Top-Heavy Organisation

In order to take forward the intended change programme (lean organisational structure; independent CAA; and market-oriented, modern budgetary and performance measurement system), it needed to be 'owned' by senior officers working within the CAA. It was felt by the new managerial team that 'alliances' were also necessary at the organisational level. The intended lean organisational structure was the first obstacle that needed to be negotiated. When the change team presented their estimation of the required number of senior management positions to senior officers of the CAA, the latter were

'outraged'. The directors contended that going below the approved strength of the organisation would be like chopping off their own hands. Thus, the DG had to ask the change team to work with HR to come up with a 'compromise' solution.

The result of the compromise was that the total of 87 general manager positions, which the change team originally proposed should be cut to 52, was raised to 129. Likewise, the 18 original director-level positions, to be cut to 12 under the change team's proposals, were revised upwards to 23. While this situation was against the ethos of the 'lean organisation' so valued by the change team and the new DG, they had to 'bite this bullet' to win the approval of senior managers in the CAA. The new DG also took this opportunity, with the support of the Prime Minister's office, to appoint managers from the private sector to key positions, such as heads of the human resources and finance departments, at salaries that were much higher than existing CAA salary scales. It was argued that these were key positions that were important for the commercial reorientation of the CAA and that the skills required for these positions were not available at the salary scales offered by the CAA. The new DG, the change team and the newly-appointed managers thus became a pro-change alliance that could potentially neutralise future resistance from senior managers.

Once the change programme had been approved by the CAA's senior managers, it then had to be approved by the MoD. As part of the compromise with the MoD, another layer was created within the organisational hierarchy, above the position of directors and below the DG position, to accommodate personnel coming from the MoD. A total of six such positions was created, entitled 'additional DGs'. As previously, the MoD was also allowed to continue to send defence personnel to the CAA. As a result of this

'compromise', the organisational structure became even taller and more top-heavy. In return, the new managerial regime was allowed to make certain changes that it deemed appropriate, the most notable being a split between the air traffic control and airport management functions and the introduction of new performance measures and cost management initiatives.

While the change programme was marred by conflict, compromise and concessions with regard to the powerful groups, it was a different story for the weaker groups, such as employees in slow career directorates, lower pay-grade employees and daily wagers. Some of these weaker groups were excited, anticipating that the change would end the domination of the PAF, the MoD and the directorate of ATC. However, this did not happen. Rather, a round of promotions and appointments took place once the new structure had been approved, but many new positions went either to people from the MoD and the PAF, or to newly-inducted managers and managers considered close to the new regime. In the words of one middle manager:

> *We had high hopes from the change, but these did not materialise … Earlier it was air traffic control and the Air Force, now it is them and the DG's favourites … Before reorganisation, we were unhappy; now (after reorganisation), we are most depressed…*

However, given the path of change so far, the sentiments of the weaker groups were of little concern to the pro-change managerial group. Some of the changes they had wanted to bring about had been conceded in the process, and they wanted to move quickly on others.

6.2.3 Performance Measurement and Cost Management

Changes to performance systems were high on the new managerial regime's agenda. The new managerial regime considered the old accounting system and performance measurement system based on annual confidential reports (ACRs) to be outdated and ineffective. A new performance measurement system was introduced soon after the new organisational arrangements had been finalised. The board and senior managers had already given their approval for the new system, although they knew little about it. One senior manager revealed:

> *To be honest, we couldn't even understand what they were suggesting. Some of us did suggest ... that it would be a better idea to introduce it on one site before rolling it out to the entire organisation.*

There were two major elements in the new system: the tasks and targets to be agreed between seniors and subordinates, and the directorate-wide relative ranking of employees. The ranking exercise had to demonstrate at least 20 per cent of the employees of each unit as 'below average' and 'inadequate performers'. The ranking exercise was to begin at the departmental supervisor level. This would then be passed on to their senior officers, who would make a new curve incorporating all of their juniors. Eventually, the directors were responsible for making a curve for their entire directorate.

Overall corporate goals were set by the new DG during the first half of the calendar year 2007, and the directors were required to set targets for their respective subordinates. Officers and staff of the CAA resisted the implementation of the new system, arguing that it was difficult for them to distinguish between 'tasks' and 'targets', given the routine

and repetitive nature of their job. They also argued, for the same reason, that it was difficult for them to assign their employees to different categories of the forced curve.

However, none of this was taken into consideration by the senior management. Successive letters were sent from CAA headquarters to functional heads and airport managers warning them of disciplinary action if the system was not implemented. Later, to force employees to fill out the performance evaluation forms, it was decided that the annual bonus would not be given to employees who failed to submit their forms, and that annual bonuses would be given to employees according to their placement on the curve. Employees who fell into the 'below average' and 'inadequate' categories would receive no bonus, whereas excellent performers could receive a bonus equivalent to three months' salary.

Fear of disciplinary action and of losing out on the bonus forced employees reluctantly to submit their performance evaluation forms. Lower down the organisational hierarchy, dozens of employees worked for a single senior, so it was impossible for the seniors to evaluate the performance of their subordinates on a one-to-one basis. Hence, employees were asked to sign blank forms and hand them over to their seniors! Senior officers in airports allegedly prepared the curves in a very arbitrary manner. According to officers working in the field, the result was that, in general, lower pay-grade employees were rated as 'below average' or 'inadequate performers'. The situation worsened for lower pay-grade employees as successive forced curves were made at higher levels in the organisational hierarchy. The senior managers creating the curves inevitably placed their immediate juniors at the right end of the curve, thus pushing more and more junior-level employees to the 'wrong end'. The result was that, in a directorate-wide forced curve,

senior-level employees were placed in the top categories, whereas lower-level employees were placed largely in the 'average', 'below average' and 'inadequate performers' categories.

This whole exercise was generally seen by employees of the CAA as rushed and unfair, which did not serve the stated purpose of transparent and objective performance measurement. However, this apparently unjust outcome was not perceived in the same way by the new managerial regime. The view of the top management was that it was simply a matter of people being unhappy with change and trying to stir up unrest. Senior managers felt there was nothing inherently wrong with the fact that senior officials had been rated higher in the new performance measurement system: *"They are good, which is why they are seniors"*, claimed a senior HR manager. In any case, it was felt that some collateral damage was bound to occur whenever a new system was launched. A pro-change manager revealed: "We introduced a new system in the CAA, and in the transition, if some people got hurt, so be it."

In addition to the new performance measurement system, the new managerial regime extended its efforts to control costs in a bid to change the outdated accounting control system at the CAA. The team sought a more 'proactive' approach to cost management. They took the view that the starting point for cost-cutting should be labour costs. The team argued that there were far too many employees in the organisation and that the excess labour force was dragging down its profitability. An interview with a pro-change senior manager revealed*:*

With so much surplus labour, you cannot earn profit ... You need to bring it [labour cost] *down ... Yes, it* [the CAA] *is profitable, but it could become much*

more profitable ... For an organisation to become dynamic and vibrant, its

financial muscle should be strong ... With a small workforce, you can pay them

well as well, which keeps their morale high.

In line with this belief, the new DG instructed all functional heads and airport managers to reduce the daily wagers' head count by 15 per cent, a figure which, it seems, was not derived from any study; many managers argued that this percentage was merely a 'hunch' of the new DG and of like-minded pro-change managers, rather than the outcome of any serious deliberations or calculations. In our interviews, one senior manager gave the following rationale:

In one of my earlier meetings with officers, I asked them about the level of

efficiency of our labour. They responded by saying that full-time workers work

at a 70% efficiency level and daily wagers work at 85%. So I deduced that

perhaps there are 15% excess daily wagers.

In any case, the reduction in the number of daily wagers was fairly easy to achieve. Although they were generally believed to be more efficient than permanent employees, they did not have the legal rights enjoyed by their permanent colleagues. Removing them from service was considered much easier and less problematic than removing permanent employees. However, this effort was never seen in the organisation as an effort to 'manage costs'. The cost-saving agenda through shedding lower-level employees was overshadowed by parallel promotions and fresh appointments at the top of the organisational hierarchy. Employees openly stated at operational sites, and anonymously to the media, that the actions of the new regime did not support their stated objective of economic efficiency. They asked why, if the organisation was to be run on a profitability

logic and there were too many personnel within CAA, were so many new senior manager positions being created? How could cutting lower-level employees' jobs be justified when new senior manager positions were being created? Decisions made by the new regime (e.g. buying new cars for directors and paying lucrative salaries to newly hired professionals) provided further ammunition to employees who were critical of change. CAA employees rejected the change programme as an economic efficiency drive. Once the economic efficiency criterion was rejected, the redundancy efforts were projected as efforts to inflict pain on the working class. The outcome of the performance evaluation was quoted as evidence of this 'attitude'.

However, the weak bargaining power of the weaker groups (which had no union and no state social security) made it easier for the new regime to enforce some of the changes. While sensing that some lower-level employees were raising their 'voice' at the airports against the proposed changes, a memo was written from headquarters stating:

> *As in any process of change management, there would always be some concerns and fears. There was the fear that people would lose jobs. I have always assured you that this would not happen as part of the restructuring process but the loss of jobs could take place because of lack of work, poor performance, indiscipline or misconduct.*

The strategy of the new managerial system was to make the lower-level employees and daily wagers fearful, since gaining their approval for this regime was no longer an option (Machiavelli, 1988). The senior management repeatedly addressed official memos and internal letters to employees of the CAA, instructing them to embrace the change programme or face disciplinary action. One such memo threatened:

I am concerned about the slow progress [of filing new performance evaluation reports] *... I expect you as a senior and responsible individual to take personal ownership and ensure completion of 100% of the performance evaluation reports concerning your directorate without any further delay.*

Another memo revealed:

There are, however, some individuals who have negative views on the entire re-structuring process. I am always open to their views and suggestions but have always emphasized that the organization comes first and individual interests come later and cannot supersede organizational priorities ... I have so far given latitude to such individuals, but a time comes when the interests of the organization need to be protected and there will be no compromise on this aspect.

It was impossible to win the consent of the weaker groups for the change programme owing to the weakening of the ideological power of both the military and the managers. In the absence of any apparent dominant ideology, the change appeared more arbitrary and coercive to the weaker groups. The compromises made earlier in the programme also created a sense of frustration in the pro-change group. Any suggestion to reflect further on the proposed changes was seen by the new managerial regime as a 'delaying tactic'. As the initial appointment of the new DG was for two years, there was a sense of urgency to show some change to their credit.

7. Discussion

This paper has set out to understand management accounting changes in the context of the relationships and strategies of the dominant social groups vis-à-vis each other whilst they tried to hegemonise the political and/or organisational landscape. In line with the critical realist theory of hegemony (Joseph, 2002), we have sought to explain the agential and structural reasons for the emergence of the military and managers as dominant social groups at the national and case organisation levels and its linkages with MAC within the CAA. Joseph (2002) suggests that functional reasons for the emergence of hegemony are linked with the reproduction of social, including economic, structures. This reproduction of economic structures will require the state to facilitate the formation of a hegemonic bloc (Levy and Scully, 2007). In our case, an economic crisis led the military (which had hitherto monopolised the state) to form a power bloc with the managers. Joseph's theory of hegemony emphasises the role of the state in reproducing economic structures, thus playing a crucial role in mobilising hegemony.

While the necessity to reproduce economic structures did play a role in the creation of a hegemonic bloc, it was the agential projects of the two social groups to assert their dominance that actualised the (weak) form of hegemony that eventually emerged. Economic managers, once they were occupying key positions within the state, brought with them their own ideology – economic efficiency. The agential aspect of hegemony is the domain of politics (Levy and Scully, 2007). In our case, this process entailed firstly a 'frontal attack' by managers to assert their 'ideal' controls over the CAA. The managers 'presented' their proposed controls as modern and economically efficient; and military controls, such as operational controls and efficiency, as old and outdated. This frontal

attack was met with a 'counter-attack' by the military, reasserting the ideology of 'national security' and safety and challenging the credentials of the managers to run the case organisation. The situation eventually reached a crisis point, whereupon the military threatened to pull the plug on the change programme introduced by the managers. A somewhat unstable and 'conflicting compromise' emerged, which had implications for the final shape of MAC within the CAA.

As part of a restructuring compromise between the two dominant social groups, new employees were inducted from the military as well as from business, resulting in the organisation becoming even taller and broader. The critical element of the intended change was aviation being treated as a business and the prevention of military influence over the affairs of the CAA. However, neither of these occurred. As far as the military was concerned, the cardinal principle was that all matters of 'strategic' significance had to be made in line with security considerations. The economy was important but it came second, with the greatest priority being defence. Prioritising the economy over defence would have deprived the military of the ideological basis on which it had hegemonised the country and the case organisation for so long. To a certain extent, as explained in Section 6.1, the arrangement at the level of national government was similar. Prime Minister Shaukat Aziz had to work as a junior partner with the military generals led by General Musharraf.

Nevertheless, the military had to concede to other changes that the managers were keen to implement, such as the new performance measurement system and cost-saving strategies in the form of redundancy programmes for workers. This was in line with the ideals of managers to bring in economic efficiency. At the same time, it did not affect the

interests of the other dominant social group, the military. The fragile alliance formed between the two dominant social groups was clearly shaped by their respective interests and the political strategies of the two groups vis-à-vis each other. However, material concessions to both groups resulted in an incoherent MAC framework lacking any ideological consistency or appeal. For example, it was difficult to explain cost management efforts to reduce the labour count when additional layers and positions were being created at the top. These contradictions arising from conflicted compromise made the use of coercive strategies an inevitable choice for the dominant groups to implement these changes. As far as the exercise of hegemony is concerned, the use of force is not problematic in its own right. However, in order for dominant groups to exercise hegemony over dominated groups, the use of force must be legitimised through appeal to certain generally agreed principles or ideologies (Gramsci, 1971, p.80). In the case of the CAA, the resulting changes in MAC, introduced through the use of force, thus appeared arbitrary, purposeless and fragile. The use of force without reference to a coherent principle or ideology also indicates a 'weak' hegemonic arrangement (Gramsci, 1971, p.80), as was the case in the CAA. Weak hegemonic arrangements give ample opportunity to dominated groups to mount a 'war of positions', exposing apparent contradictions in the ideology of dominant groups. While outside the scope of this paper, it should be noted that the dominated groups, such as daily wagers, did later exploit these contradictions to mount a challenge to the imposed management control changes. Temporary stability of controls soon disappeared.

8. Conclusions

The paper has provided an account of why and how a 'new regime' of MAC emerged in an SOE in the context of changing politico-economic dynamics in Pakistan. Appropriating the critical realist theory of hegemony, the paper has deepened understanding of the role of dominant social groups and their interrelationships in shaping and transforming MAC. Several contributions of the paper can be articulated.

First, accounting research employing the notion of hegemony generally explains MAC changes by exploring the classic contradictory relationship between dominant and dominated social groups, and their vested interests and strategies (Cooper and Ezzamel, 2006; Alawattage and Wickramasinghe, 2008). In this context, hegemony is then the political strategy through which the dominant social groups 'sell' changes to the dominated groups (Brown and Coupland, 2006; Degiuli and Christopher, 2007). While the vertical operation of hegemony is extremely important, this paper brings to light the horizontal dimension of hegemony, i.e. the relationship between dominant social groups as they form a 'power bloc' and its significance for MAC changes. It was clearly evident that the nature of the MAC changes was influenced by the political strategies of the two dominant groups vis-à-vis each other as they tried to carve out a wider sphere of influence for themselves within the power bloc. Assertion of their respective ideologies, i.e. 'national security' or 'economic efficiency', served the same purpose.

Second, the paper also contributes by deepening our understanding of the manner in which MAC changes are implemented and the conditions that may lead to the possibility of resistance. The political strategies of the two dominant social groups eventually led to a 'conflicted compromise', whereby some MAC changes could take place while others

could not. However, the nature of the compromise was marred by ideological contradictions that accompanied the management control changes. It is here that the horizontal dimension of hegemony acquires significance for the vertical dimensions of hegemony and for the manner in which MAC changes will be implemented, their resistance, and their durability.

The nature of compromise between the dominant groups within the power bloc is more likely to dictate whether MAC changes will be implemented through consent or coercion. In our case, the ideological contradiction that emerged in the process of compromise was so apparent that management control changes could not be implemented among the dominated groups by consent. The generation of consent may require some concessions to the dominated groups but, more importantly, it requires an ideological appeal to accompany management control changes (Gramsci, 1971). The politics of the dominant groups in the process of creating the power bloc may preclude this possibility. This, in turn, explains the possibility of resistance by dominated social groups in some cases while not in others. While the availability of critical resources and the organisation of the dominated social groups will play an important role in determining the nature of resistance (Alawattage and Wickramasinghe, 2009), the likelihood or otherwise of resistance is perhaps, to some extent, influenced by the nature and process of compromise between the dominated social groups.

Third, the use of Joseph's (2002) theory of hegemony also helps improve our understanding of the role of the state in bringing about MAC changes. As discussed in Section 2, the majority of new public management literature on MAC change assumes the state to be a homogenous entity which is trying, or is perhaps forced, to reproduce

economic structures. In the changing global politico-economic context, the state appears to embrace MAC changes that are in line with new public management ideals of economic efficiency (Broadbent and Laughlin, 1998; Broadbent et al., 2001). Drawing on the political and organisational literature, we argue that the state is not a homogenous entity with a functional role to reproduce economic and social structures within the territory that comes under its sphere of control. Instead, the state is a site of hegemonic struggles between different groups that are vying for greater control within the power bloc. Our case suggests that the need to reproduce economic structures forced the military-dominated state to facilitate the creation of a power bloc with the 'managers'. In our case, it was these hegemonic struggles between the military and the managers that were primarily responsible for shaping the changes in MACs. Thus, we argue that the changes in MACs in the CAA were not simply a reflection of the economic interests of the state. Instead, the proposed changes were perhaps a reflection of the vested interests of the dominant social groups within the state, who were locked in a hegemonic struggle that resulted in an unstable MAC framework, with severe consequences for the weaker groups. Based on our analysis, we argue that it would be useful not only to trace the economic compulsions of the state but also to include the vested interests of powerful social groups engaged in hegemonic struggles within the state for better understanding of NPM-driven changes in an SOE.

Finally, this paper calls for further research in a number of areas. First, the case study used in this paper is located in a politically unstable setting. It would be useful to explore further the horizontal dimension of hegemony and its significance for MAC changes and stability in politically stable countries. Second, one of the dominant social groups in our

case is the military. Unstable democracies, dictatorship and weak political institutions often give rise to powerful groups such as the military (Hopper et al., 2009; Uddin et al., 2011). Despite a strong military presence in many countries, the role of the military in shaping management accounting practices has been under-studied and -theorised (Uddin and Choudhury, 2008). Further research may shed light on the role of the military in shaping management accounting practices, especially in politically unstable countries.

References

Ahmad, E., 2004. Between Past and Future: Selected Essays on South Asia. Oxford University Press, Oxford.

Alawattage, C., Wickramasinghe, D., 2008. Appearance of accounting in a political hegemony. Crit. Perspect. Account. 19, 293-339.

Alawattage, C., Wickramasinghe, D., 2009. Weapons of the weak: subalterns' emancipatory accounting in Ceylon Tea. Account. Audit. Account. J. 22, 379-404.

Althusser, L., 1970. Ideology and ideological state apparatuses, in: Lenin and Philosophy and Other Essays, transl. B. Brewster. Monthly Review Press, New York, pp. 121-176.

Archer, M., 1995. Realist Social Theory: The Morphogenetic Approach. Cambridge University Press, Cambridge.

Armstrong, P., 1987. The rise of accounting controls in British capitalist enterprise. Account. Org. Soc. 12, 415-436.

Armstrong, P., 1989. Variance reporting and the delegation of blame: a case study. Account. Audit. Account. J. 2, 29-46.

Armstrong, P., 2002. The costs of activity-based management. Account. Org. Soc. 27, 99-120.

Arnold, P., 1998. Limits of post modernism in accounting history: the Decatur experience. Account. Org. Soc. 23, 665-684.

Ashraf, J., Uddin S., 2013. A consulting giant; a disgruntled client: a 'failed' attempt to change management controls in a public sector organization. Financ. Account. Manag. 29, 186-205.

Asian Tribune, 2004. New Pakistan PM is Former International Banker. 28August.

Associated Press of Pakistan, 2006. A 3-Day Workshop Regarding Restructuring of Civil Aviation Authority Began Here Friday. 16 November.

Bhaskar, R., 1975 [1997]. A Realist Theory of Science. Verso, London.

Bhaskar, R., 1979 [1998]. The Possibility of Naturalism. Harvester Wheatsheaf, Hemel Hempstead.

Bourguignon, A., Malleret, V., Norreklit, H., 2004. The American balanced scorecard versus the French tableau de bord: the ideological dimension. J. Manag. Acc. Res. 15, 107-134.

Broadbent, J., Dietrich, M., Laughlin, R., 1996. The development of principal-agent, contracting and accountability relationships in the public sector: conceptual and cultural problems. Crit. Perspect. Account. 7, 259-284.

Broadbent, J., Jacobs, K., Laughlin R., 2001. Organisational resistance strategies to unwanted accounting and finance changes: the case of general medical practice in the UK. Account. Audit. Account. J. 14, 565-586.

Broadbent, J., Laughlin, R., 1998. Resisting the 'new public management': absorption and absorbing groups in schools and GP practices in the UK. Account. Audit. Account. J. 11, 403-435.

Brown, A., Coupland, C., 2005. Sounds of silence: graduate trainees, hegemony and resistance. Organ. Stud. 26, 1049-1069.

Brown, A.D., Humphreys, M., 2006. Organizational identity and place: a discursive exploration of hegemony and resistance. J. Manag. Stud. 43, 231-257.

Bryer, R.A., 2000. The history of accounting and the transition to capitalism in England, part one: theory. Account. Org. Soc. 25, 131-162.

Bryer, R.A., 2005. A Marxist accounting history of the British industrial revolution: a review of evidence and suggestions for research. Account. Org. Soc. 30, 25-65.

Bryer, R.A., 2006. Accounting and control of the labour process. Crit. Perspect. Account. 17, 551-598.

Burawoy, M., 1979. Manufacturing Consent: Changes in the Labour Process under Monopoly Capital. University of Chicago Press, Chicago.

Burawoy, R., 1983. Between the labour process and the state: the changing face of factory regimes under advanced capitalism. Am. Socio. Rev. 48, 587-605.

Burawoy, R., 1985. Factory Regimes in Comparative Perspective: The Politics of Production. Verso, London.

Connell, R., 1987. Gender and Power. Polity Press, Cambridge.

Cooper, C., 1995. Ideology, hegemony and accounting discourse: a case study of the National Union of Journalists. Crit. Perspect. Account. 6, 175-209.

Cooper, D.J., Ezzamel, M., 2006. An integrated social analysis of strategic performance measurement systems. Unpublished paper, University of Alberta.

Cooper, D.J., Neu, D., 1995. The politics of debt and deficit in Alberta, in: Harrison, T., Laxer, G. (Eds.), The Trojan Horse: Alberta and the Future of Canada. Black Rose, Montreal, pp. 163-181.

Dee, P.S., 2012. Towards a theory of political efficiency, in: Dee, P.S. (Ed.), Economic Reform Process in South Asia. Routledge, New York, pp. 1-22.

Degiuli, F., Christopher, K., 2007. Bringing Gramsci back in: labor control in Italy's new temporary help industry. Work Employ. Soc. 21, 497-515.

Dent, J.F., 1991. Accounting and organisational cultures: a field study of the emergence of a new organisational reality. Account. Org. Soc. 16, 693-703.

Devereux, S. and Hoddinott, J. (2002) 'Issues in Data Collection' in Devereux, S. and Hoddinott, J. (Eds.) Fieldwork in Developing Countries; Lynne Rienner Publishers, US

Edwards, P., Ezzamel, M., Robson, K., 1999. Connecting accounting and education in the UK: discourses and rationalities of education reform. Crit. Perspect. Account. 10, 469-500.

Ezzamel, M., Burns, J., 2005. Professional competition, economic value added and management control strategies. Organ. Stud. 26, 755-777.

Ezzamel, M., Hyndman, A., Johnsen, I., Lapsley, I., Pallot, J., 2004b. Has devolution increased democratic accountability? Publ. Money Manag. 24, 145-152.

Ezzamel, M., Willmott, H., 1993. Corporate governance and financial accountability: recent reforms in the UK public sector. Account. Audit. Account. J. 6, 109-132.

Ezzamel, M., Willmott, H., 1998. Accounting for teamwork: a critical study of group-based systems of organizational control. Admin. Sci. Q. 43, 358-397.

Ezzamel, M., Willmott, H., Worthington, F., 2004a. Accounting and management-labour relations: the politics of production in the 'factory with a problem'. Account. Org. Soc. 29, 302-369.

Frontier Star, 2004. Aziz Chairs First Formal Meeting of New Cabinet. 15 September.

Goddard, A., 2002. Development of the accounting profession and practices in the public sector: a hegemonic analysis. Account. Audit. Account. J. 15, 655-688.

Goddard, A., 2005. Reform as regulation: accounting, governance and accountability in UK local government. J. Account. Organ. Change, 1, 27-44.

Gramsci, A., 1971. Selections from the Prison Notebooks. Hoare, Q., Nowell Smith, G. (Eds.). Lawrence and Wishart, London.

Hopper, T., Armstrong, P., 1991. Cost accounting, controlling labour and the rise of conglomerates. Account. Org. Soc. 16, 405-438.

Hopper T., Tsamenyi, M., Uddin, S., Wickramasinghe, S., 2009. Management accounting in less developed countries: what is known and needs knowing. Account. Audit. Account. J. 22, 469-514.

Humphreys, M., Brown, A.D., 2002. Narratives of organizational identity and identification: a case study of hegemony and resistance. Organ. Stud. 23, 421-447.

Idris, I., 2004. Business as usual. Al-Ahram Weekly, 1 July.

Jalal, A., 1995. Democracy and Authoritarianism in South Asia: A Comparative and Historical Perspective. Cambridge University Press, Cambridge.

Jessop B., 1994. Post-Fordism and the state, in: Amin, A. (Ed.), Post-Fordism: A Reader. Blackwell, Oxford, Ch. 8.

Joseph, J., 2002. Hegemony: A Realist Analysis. Routledge, New York.

Khaleej Times, 2007. Interview of Director General of Pakistan CAA. Special issue, August.

Kukreja, V., Singh, N., 2005. Pakistan: Democracy, Development and Security Issues. Sage Publications, London.

Lawrence, S., Sharma, U., 2002. Commodification of education and academic labour: using the balanced scorecard in a university setting. Crit. Perspect. Account. 13, 661-677.

Lehman, C., Tinker, T., 1987. The 'real' cultural significance of accounts. Account. Org. Soc. 12, 503-522.

Levy, D., Scully, M., 2007. The institutional entrepreneur as modern prince: the strategic face of power in contested fields. Organ. Stud. 28, 971-991.

Machiavelli, N., 1988. Machiavelli, the Prince. Skinner, Q., Price, R. (Eds.). Cambridge University Press. Cambridge.

March, J.G., Olsen, J.P., 1984. The new institutionalism: organizational factors in political life. *Am. Polit. Sci. Rev.* 78, 743-749.

March, J.G., Olsen, J.P., 2009. The logic of appropriateness. Working paper 04/09, Centre of European Studies, University of Oslo.

Mason, J., 2002. Qualitative Researching. Sage, London.

Neimark, M.K., 1994. Regicide revisited: Marx, Foucault and accounting. Crit. Perspect. Account. 5, 87-108.

Oakes, L.S., Covaleski, M.A., 1994. A historical examination of the use of accounting-based incentive plans in the structuring of labor-management relations. Account. Org. Soc. 19, 579-599.

Poulantzas, N., 1967. Marxist political theory in Great Britain. New Left Review 43, 57-74.

Richardson, A., 1987. Accounting as a legitimating institution. Account. Org. Soc. 12, 341-355.

Richardson, A., 1989. Corporatism and intraprofessional hegemony: a study of regulation and internal social order. Account. Org. Soc. 14, 415-431.

Sallaz, J., 2004. Manufacturing concessions: attritionary outsourcing at General Motor's Lordstown, USA assembly plant. Work Employ. Soc. 18, 687-708.

Saravanamuthu, K., Tinker, T., 2003. Politics of managing: the dialectic of control. Account. Org. Soc. 28, 37-64.

Sayer, R.A., 1992. Method in Social Science: A Realist Approach, second ed. Taylor & Francis, New York.

Stergiou, K, Ashraf, J., Uddin, S., 2013. The role of structure and agency in management accounting control change in a Greek family firm. Crit. Perspect. Account. 24, 62-73.

Talbot, I., 1998. Pakistan: A Modern History. Oxford University Press, Oxford.

Talbot, I., 2003. India and Pakistan: Inventing the Nation. Bloomsbury, New York.

Teulings, A., 1986. Managerial labour processes in organized capitalism: the power of corporate management and the powerlessness of the manager, in: Knights, D., Willmott, H. (Eds.), Managing the Labour Process. Gower, London, pp. 141-166.

The News, 2007. MoD Mantra: Fly high – but on merit. The News, 23 February.

The Pakistan Newswire. 2004. Premier urges government servants to adopt result-oriented culture. September 22.Wednesday.

Thompson, J.B., 1978. Eighteenth century English society: class struggle without class. Soc. Hist. 3, 133-65.

Toms, S., 2005. Financial control, managerial control and accountability: evidence from the British cotton industry, 1700-2000. Account. Org. Soc. 30, 627-653.

Uddin, S., Choudhury, J., 2008. Rationality, traditionalism and the state of corporate governance mechanisms: illustrations from a less developed country. Account. Audit. Account. J. 21, 1026-1105.

Uddin, S., Hopper, T., 2001. A Bangladesh soap opera: privatisation, accounting, and regimes of control in a less developed country. Account. Org. Soc. 26, 643-672.

Wickramasinghe, D., Alawattage, C., 2012. Management Accounting Change: Approaches and Perspectives. Taylor & Francis, New York.

Wickramasinghe, D., Hopper, T., 2005. A cultural political economy of management accounting controls: a case study of a textile mill in a traditional Sinhalese village. Crit. Perspect. Account. 16, 473-503.

Wickramasinghe, D., Hopper, T., Rathnasiri, C., 2004. Japanese cost management meets

Sri Lankan politics: state regulation and management controls in a private utility.

Account. Audit. Account. J. 17, 85-120.

Williams, R., 1982. Base and superstructure in Marxist cultural theory. New Left Review,

82, 3-13.

Yuthas, K., Tinker, T., 1994. Paradise regained? Myth, Milton and management

accounting. Crit. Perspect. Account. 5, 295-310.

---

[1] This paper adopts Hopper et al.'s (2009) broader definition of management accounting controls (MAC). The individual 'elements' of the control apparatus include changes in vision, organizational structure, performance measurement systems and cost management techniques.

[2] A social group means a set of agents sharing the same life-chances and interests (Archer, 1995). In Gramscian language, powerful or hegemonic groups are those that move beyond the defence of their immediate economic interests and aspire to dominate the social and political landscape (Gramsci, 1971; p XIV). This is contrasted with less powerful or dominated social groups, also referred to as the subalterns or subordinates (ibid). In this paper, the terms dominant and powerful are used interchangeably.

[3] This relationship includes the nature of interests of different groups and the extent to which these collide with each other. Another important factor is the differential between material and cultural powers of powerful and less powerful players. Less powerful players generally have less access to organizational resources but may still draw on material or cultural powers as a result of other factors such as unions, ethnic ties with power actors outside the organization, etc. (Wickramasinghe and Hopper, 2005).

[4] The rise of economic technocrats (private sector managers), especially in SOE, is not a new phenomenon. This is closely linked with changing structures of global politics and economy and the promotion of new public management worldwide.

[5] The development of a power bloc involves fostering alliances between factions and classes with various interests.

[6] There are several very insightful papers on the notion of hegemony (Lehman and Tinker, 1987; Richardson, 1989; Cooper, 1995; Goddard, 2002). However, these are not directly related to the link between the notion of hegemony and MAC change.

[7] Forty-four interviews with 37 top and middle managers (including retired personnel, Ministry of Defence officials and consultants) were conducted in three rounds over a span of six months.

[8] For this purpose, we used LexisNexis which, apart from covering international news and media reports, also covers five newspapers from Pakistan. We also reviewed five additional major national daily newspapers in Pakistan which are not part of LexisNexis.

[9] The seven members included the Secretary of the MoD (Chairman of the Board), Vice Chief of Air Staff, Additional Secretary for Military Finance (Ministry of Finance), Secretary for Planning Division, Secretary for Culture and Youth Affairs, Managing Director Pakistan International Airlines (PIA), and DG Civil Aviation Authority.

[10] According to news reports, Mr Aziz left Pakistan in 1975 when he was appointed on his first out-of-country job by Citibank.

[11] Military influence in the political affairs of Pakistan was evident in the fact that the parliament made an amendment to the constitution such that General Musharraf could simultaneously hold the positions of President and Chief of Army Staff.

[12] *Euromoney* and *The Banker* declared him Finance Minister in 2001.

[13] When Shaukat Aziz was appointed, a news report stated: "Aziz's role, apart from overseeing the economy, will be to focus on ensuring better governance, the day-to-day running of the federal bureaucracy, and more effective policy execution" (Asian Tribune, 2004).

[14] The following news report summarises what happened: "For the last few weeks, the issue of [change] kept on engaging all the key players, resulting in convergence of the Ministry of Finance, Ministry of Defence and even the Minister of State for Defence at a jointly shared juncture against the increasingly isolated CAA DG … The CAA DG approached Prime Minister Shaukat Aziz, … urging him to intervene in the matter, since all those who matter at the decision making level had one after another distanced themselves from the DG on this specific issue…" (The News, 18 January 2007).