Understanding management accounting change using strong structuration frameworks

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Abstract

Purpose

The purpose of the paper is to suggest a strong structuration based framework for the study of management accounting change.

Design/methodology/approach

A retrospective field study was designed to investigate the impact of the 2008 financial crisis on budgeting and control practices of Greek hospitality organisations. Conduct analysis addresses agents' perceptions of the changes upon themselves. Context analysis explores the changing context, and how the agents modified their in-situ control structures accordingly. The framework is demonstrated through one case study.

Findings

The agents in the case, triggered by the crisis, gradually come to criticise the way they practice budgeting. Their first response is to practice budgeting more normatively, but later they criticise and modify these norms. Variance management became pro-active rather than reactive. Variations in the ways agents draw upon structures – unreflectively or critically – and on how they act to reproduce structures – routinely or strategically – characterise change in management accounting practice. Agents' reasoning and conduct leading to action is local, and these local changes in conduct and context are significant in understanding management accounting change.

Originality/Value

This framework for studying management accounting change balances structural conditions of action, with action and interaction. It can be used to study how, why, and by whom institutionalised management accounting practices may change.

Keywords: change; strong structuration; hotels; budgeting; crisis.

Paper type: Research paper

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1. Introduction

The framework for the study of management accounting change presented here was developed to analyse retrospectively the effects of the 2008 financial crisis on the budgeting and control structures of Greek hospitality organisations. The response of organisations to financial crises, as well as the implications of crises on the control structures of organisations is under-researched (Hopwood, 2009; Van der Stede, 2011). The importance of management control as a means to monitor environmental changes, as well as enable and assist organisational adaptation to external change is widely recognised (Emmanuel *et al*., 1990; Nixon and Burns, 2005; Otley and Berry, 1980; Otley, 2003; 2008), but there is little research addressing management control dynamically, i.e. how management control practice is adapted *when* the environment changes. A further motivation for the research is that research on management accounting tends to focus on manufacturing rather than service organisations (Lowry, 1990; Chenhall, 2003), leaving sectors such as the hospitality industry largely unexplored (Sharma, 2002). This is despite the complexities of management control that service (Brignall, 1997; Modell, 1996) and hospitality (Harris and Brander Brown, 1998) organisations offer for analysis.

From a structuration theory (ST) perspective, change is always endogenously created (Englund *et al*., 2011; Kilfoyle and Richardson, 2011), even if triggered by a contextual factor. Englund *et al.* (2011) note that the majority of ST studies provide institutional accounts of change, which do not reveal how knowledgeable agents draw upon and reproduce the structures in specific settings. They suggest placing the focus on "how and why actors tend to bring certain issues and events into processes of structuration" (p.508). Englund *et al*. (2011) recognise that Giddens' ST provides only general guidelines for the analysis of the reproduction or transformation of accounting practice. In comparison, the framework discussed here is based heavily on strong structuration theory (*SST*), which puts more emphasis on issues of research design, and on the specificities of how, why, when, and by whom change may come about (Coad *et al.*, 2015; Parker, 2006).

SST (Stones, 2005) is a development of structuration theory that focuses on in-situ processes of structuration. That is, it emphasises how agents situated in specific settings at a specific time experience the process. Stones studies these processes using the Quadripartite Nature of Structuration (*QNS*) model. Structure and agency are diachronically related to each other, a feature that facilitates the study of how "current actions are constrained by past actions" (Scapens, 2006). The relationship between structure and agency has spatial and temporal dimensions, making a distinction between what in-situ individuals can influence through their agency, and what they cannot. Methodologically, Stones identifies that using Giddens' guidelines produces either over-deterministic or over-voluntaristic accounts of the structuration process. Giddens makes use of methodological brackets in which one either uses strategic conduct analysis or institutional analysis, and following this most accounting researchers engage in the latter. Stones offers an alternative form of bracketing which allows for more emphasis on epistemology rather than ontology, based on agent's conduct and agent's context analysis. This allows for a far more nuanced account of structuration processes in which the agent(s)-in-focus, and their perceptions of structure, are the basis of an active agency that may reproduce existing structure, or produce modified or changed structures (Jack and Kholeif, 2008).

One of the contributions of this paper is the argument that there are variations in how structures and in-situ agents relate to each other. This understanding clarifies how and why these abstract concepts interact, and guides researchers to extract the *local* causalities of action, i.e. why in-situ agents act in certain ways and not in others. This is done by incorporating certain proposals from Mouzelis' (1989) approach to structuration into the framework designed for this project. One reason for this is that his approach balances the institutional and the visual aspects of structuration. Also, his work on the variable relations between structures and agents indicates how and why the conceptual elements of the QNS model interact in order to influence management accounting practice, addressing limitations of the QNS identified by Coad and Herbert (2009). In addition, Busco *et al*. (2007) raise concerns about subject, object, and form of change, as well as time and space, in the use of structuration theory. Following their work, questions of what or who makes change happen; who or what is changing; how and why change occurs, and to where and when it occurs, provide a systematic viewpoint from which to validate the framework proposed here. Subjects of change are considered to be distinguishable clusters of agents who may conflict or co-operate in the process of structuration. Objects of change are both the institutional and concrete dimensions of control structures. The QNS model provides direction on how structural reproduction or adaptation occurs: the agents draw upon both external structures and internal structures in order to act, and though their action the structures are reproduced or modified. What the agents reflect upon, and try to modify or preserve, as well as what simultaneously mediates their action in an unreflective way, provide in combination the causalities of action.

There are several contributions to current debates in management accounting in this paper. First, a framework for the study of management accounting change is presented which offers an alternative to the overly-institutional trend of previous structuration research (Englund *et al*., 2011) without being overly-strategic. Second, this shows how to apply structuration theories in empirical accounting research, a topic that attracts limited attention in management accounting (Englund and Gerdin, 2014). Third, the hotel chain case that is used to illustrate the framework adds to the very limited empirical data on how organisations (especially those outside manufacturing) respond to a financial crisis (Hopwood, 2009). Finally, the varying degrees of the relations between structures and time-space positioned agents offers a way to understand how institutionalised practices and ways of thought may change at a local level.

The paper begins with discussions of the theoretical framework, and then of methodology and methods. An illustrative case study follows. The agents in the case, triggered by the crisis, gradually come to criticise the way they practice budgeting. Their first response is to practice budgeting more normatively, but later they criticise and modify these norms. As their formal mentalities co-mediate action, variance management becomes pro-active rather than reactive. Variations in the ways agents draw upon structures – unreflectively or critically – and on how they act to reproduce structures – routinely or strategically – characterise change in management accounting practice. Agents' reasoning and conduct leading to action is local, and these local changes in conduct and context are significant in understanding management accounting change. Different groups of agents affected structural outcomes, although to different extents for each group. Unexpectedly, budgeting and quality control systems took different directions, and it was surprising to see how formality (a structural influence embedded in staff dispositions from previous times) mediates courses of action. The final

section provides discussion on how, why, and by whom management accounting change may occur.

2. Background and theoretical framework

How do agents adapt or change budgeting practices in response to negative environmental change? To address this question, changes to budgeting practice in hospitality organisations in Greece between 2007 and 2010 were investigated, this being a time of intense financial crisis in Europe. The question itself derives from broader consideration in management accounting and control research of the ways in which "organizations [re-]configure their control arrangements to enable them to adapt to, and survive in, a rapidly changing environment" (Otley, 2008: 236).

The study of change in management accounting represents a substantial body of research into complex situations. There have been a number of reviews of this literature, and for Busco *et al*. (2007) the central problems relate to the subject, object, and forms of change, which are developed further in this paper, as well as the interplay of change and stability. Burns and Vaivio (2001) categorise existing research on management accounting change from three perspectives. The first is the epistemology of change, which includes the problems of epiphenomenon vs. empirical change; positive vs. negative phenomenon; the interplay of change and stability; and change as an ongoing process view vs. episodic change. The second perspective refers to the logic(s) of change. From this point of view, change may be a managed and formal, or an unmanaged phenomenon that also contains informal elements. Moreover, change can follow a functional logic, or may involve political gaming and power struggles. Finally, management of change may be centrally or locally driven, and management accounting practices could passively reflect or actively shape change.

Crises offer opportunities for the study of change (Van der Stede, 2011). When a crisis occurs it may be reasonable to believe that budgeting and control practices will adapt to reflect the new conditions. However, such change is problematic. Hansen *et al.* (2003) argue that conventional budgets cannot reflect rapidly changing environments whilst Becker (2014) reports cases where a crisis led to abandonment of budgetary control. The effects of financial crises on organisational environments are often unanticipated. Institutionalised management accounting practices and procedures tend to be followed even when conditions change (Granlund, 2001), or change slowly (Scapens, 1994). If rigidly applied or inert, controls may even prevent the organisation from adapting to a new context (van der Steen, 2009). This may depend further on whether centrally managed and formal, or unmanaged and local, logics shape the course of action, as well as on the functional or political rationalities of actions (Burns and Vaivio, 2001).

The problem is where to locate agency (Busco *et al*., 2007). A crisis represents a contextual change driver, to which organisational structures have to adapt (e.g. Abernethy and Chua, 1996). However, change is always dependent on the actions of individuals (e.g. Busco *et al*., 2007). Structuration theory tries to balance the structure vs. agent dichotomy. Crises change the conditions under which agents either reproduce structures, or do otherwise (Englund *et al*., 2011). Crises may trigger revolutionary changes in formal management accounting rules, or routines, or both (Burns and Scapens, 2000); create conditions of increased reflexivity

(Seal *et al.*, 2004); rebalance power between groups of agents, and lead to other structural changes.

That outcomes might lead to improved systems cannot to be taken for granted though (Macintosh and Scapens, 1991). Actual change is uncertain as it has to overcome agents' preferences for ontological security; taken-for-granted understandings of accounting practices; lack of knowledge of alternatives; contradictions between new and existing structures, and recourse asymmetries between agents attempting change and other agents opposing it (Englund *et al*., 2011). During financial decline, management accounting change may be resisted because people resist social change and its uncertainties (Granlund, 2001). Budgeting structures may counterbalance the role ambiguity associated with the changing conditions (Marginson and Ogden, 2005). Flexible routines may 'protect' formal control structures even when there is an apparent need for change (Lukka, 2007). Change and stability need not exclude each other, but may appear in parallel in different structural dimensions (Burns and Scapens, 2000).

SST addresses, in a balanced way, the contribution of structures and individuals on the course of action. Researchers may investigate local specificities of change, as part of a research stream focusing on the socio-political dimensions of management accounting change. One criticism is that this critical-interpretive accounting approach to the topic neglects the potential of functional and institutional logics to be recognised as part of the process of change (Wanderley and Cullen, 2013). SST enables functional logics to enter into the analysis of change processes, when addressing how economic and technical changes shift the horizon of action and the capabilities of agents, although it cannot be claimed that it provides a total balance between social-political and functional approaches to research design. The next section sets out a research investigation design using SST that attempts to achieve the balance between agency and structure lacking in many other studies of management accounting change.

2.1. SST and the three levels of ontology

The research design began with the model of the Quadripartite Nature of Structuration (*QNS*) (depicted in the first row of figure 1).

A distinctive characteristic of SST is that it approaches structuration through the point of view of time-space positioned agents, what Stones (2005: 81-84) calls the intermediate zone of position-practices. Emphasis is placed on the action horizon as perceived by particular in-situ agents. Therefore, it is possible to speak, for example, of external structures in relation to specific time-space positioned agents – the agents-in-focus of a research project – meaning that these structures are perceived as external by the agents-in-focus and not that they are external from agency (the latter being a view of structures that structuration theory rejects).

AGENT

	T^1 External Structures	T^2 Internal Structures		T^3 Agent's Practices	T^4 Outcomes
Abstract Ontological Level	(1a) Independent (1b) Irresistible	(2a) Conjuncturally-specific knowledge of external structures	(2b) general-dispositions or habitus		(4a) External Structures (4b) Events (4c) Internal Structures
		↓	↑		
Meso-level ontological concepts	Variations and relative degrees in abstract concepts				
	(1i) Constraint (1ii) Enablement	(2i) Un-reflective (2ii) Critical		(3a) Routine (3b) Strategic	(4i) Intended (4ii) Unintended
		↓	↑		
Ontic-level	Empirically informed substantive details and specificities				

→ guiding influence of ontological concepts on empirical research

⇸ influence of empirical research on the modification and elaboration of ontological concepts

Figure 1. The QNS and the three abstract-concrete levels of ontology (based on Stones, 2005: 77, 85)

Stones (2005: 76-81) suggests a sliding ontological scale to connect the abstract conceptualisations of social theory, the ontology-in-general, with the ontic level of the "particular concrete and/or situated entities in the world". The study of adaptation in budgeting practices and control configurations is, in essence, a study of change at an ontic-level. QNS is at the level of ontology-in-general (Stones, 2005: 84-115). The model addresses how the ontological concepts connect in a diachronic sequence, a characteristic that makes it appealing for studies on change. In T_1 (T = Time) there are the external structures, the conditions of action, imposing either independent or irresistible causal influences to the agents. In T_2 there are the agents' internal structures, referring both to the agents' conjunctually-specific understanding of their structural surrounding and their general-

dispositions. Active agency follows in T_3, and structural outcomes in T_4. The abstract ontological concepts provide both a guide and a contextualising frame for in-situ studies. However, the concepts provide limited frame unless translated to ontic/in-situ categories (p.83). The framework suggested in this paper attempts this translation.

Between the abstract and the ontic Stones inserts a meso-level of theorisation. The meso-level aims in making "possible to talk about at least some abstract ontological concepts in terms of scales or relative degrees." For example, it is possible to address more or less structural intractability, knowledge, reflection, capabilities and so on in "the ontic manifestations of general ontological concepts without losing sight of the logical relationships between the two levels of analysis" Stones (2005: 78). At this meso-level, a researcher can address how and why the abstract concepts of the QNS model interact in order to influence practice. The next subsection discusses SST concepts in more detail. The analytical categories of the object(s), subject(s) and forms of change are used in order to address the perspective on change that SST offers.

2.2. Objects, subjects and forms of change

Stones approaches the more concrete aspects of structuration through the conceptualisation of external structures (Coad and Glyptis, 2014). External structures "involve position-practices and their networked relations" (Stones, 2005: 109). Social positions contain structuring properties related to the identity of the position, perceptions of the obligations and prerogatives that each position carries, and the way the position is interrelated with a range of other positions in context. Practice is the enactment of these expectations through the actions of position-incumbents. (Coad and Glyptis, 2014). Structures provide the horizon of action to the agents. The structures not only provide constraints, but also a range of possibilities open to the agents-in-focus. Taking a meso-level perspective, external structures provide degrees of constraint, as well as degrees of enablement, to the projects and priorities of the agents-in-focus (Stones, 2005: 122-126). These structures may impose independent causal influences, when they enjoy autonomy from the agent-in-focus. Independent structures mediate, that is constrain and enable, action, but their reproduction is irrelevant from the agent(s)-in-focus. In contrast, structures impose irresistible causal influences, when they are related to the agent-in-focus, but the latter feel that s/he cannot resist them (Stones, 2005, 109-115). Structures in the external environment may be either independent or irresistible for the organisational agents. Organisational control structures may be conceived as *in-situ* external structures (Stones, 2005: 114) that impose more or less irresistible causal influences to the in-situ agents. Position-practices of other organisational agents impose limits on the horizon of action of any agent-in-focus. Even so, the agent-in-focus is part of that network of position-practices, therefore s/he has some degree of influence on the control structures[1], that is, in-situ structures are potentially able to be modified by her/him (Stones, 2005: 66). This point is discussed further at the end of this section.

However, the accounting literature suggests that institutionalised, and taken for granted mentalities and practices of control have a strong influence on how organisations respond to environmental change (Burns and Scapens, 2000) and may even prevent the organisation from adapting to change (Granlund, 2001; van der Steen, 2009). Moreover, Coad and Herbert (2009) suggest that insights from institutional theory could provide a clearer link on how and why the conceptual elements of the QNS model interact. Therefore, in the framework the in-

situ control and budgeting structures are *analytically* divided into a visible-relational and a virtual- institutional dimension. The former points towards actual and the latter towards normative relations. Institutional structures, as a virtual system of norms and roles, entail a set of rights and obligations inherent in given social positions, while figurational structures are an actual system of relationships between actors (Mouzelis, 2008: 228).

Normative structures are "wholes of interrelated roles (which entail normative expectations) or institutions (entailing a cluster of interrelated roles)", while figurational structures involve "actual relations [and interactions] between actors unfolding syntagmatically [i.e. actually] in time and space" (Mouzelis, 2000: 743-744). The former suggests interrelations between positions engaged with budgeting (for example) in an organisation, and the budgeting practice normatively associated with each position. The latter addresses the actual relations between position-incumbents in the course of budgeting interaction. While the normative dimension entails relations between positions and roles, suggesting issues of incompatibilities or compatibilities between positions or institutional complexes, the figurational dimension entails relations between actors and points towards problems of conflict or co-operation (Mouzelis, 2008: 83). As mentioned above, the conceptualisation of position-practices encompasses both normative expectations and concrete practices and relations. However, there are advantages in addressing them as distinct. First, how a number of positions are expected to relate to one another may, within limits, be different from the actual relations between the specific actors that occupy these positions; consequently the figurational dimension can vary and change independently from the institutional one (p.196). Second, in the course of interaction actors may fulfil wholly, partially, or not at all the normative expectations of their positions. Figurational structures may entail then "different degrees of normativity" (p.110). Finally, the agents may follow different orientations towards these two dimensions of structure. Again, this point is discussed further later in this section.

Budgeting and control practice may be routine, or strategic. The first refers to agents just acting or reacting without paying any conscious attention to the reasons or consequences of their doings. The second refers to cases that an agent acts consciously or/and strategically (Stones, 2005: 100-101). In both cases practice follows the agent's interpretation of the external. Adaptive budgeting practice reproduces the budgeting and control structures, and may result in structural stability or change. In SST practice always follows the agents' hermeneutics and understanding of their structural terrain.

Who or what makes change happen are the subjects of change. From a ST perspective possible sources of change are (1) changes in the conditions governing the system reproduction, like financial crises, (2) reflexivity, (3) structural contradictions, (4) unintended change as part of daily practice, and (5) disembedding / re-embedding mechanisms (Englund *et al*., 2011). However, a useful distinction is between what or who triggers change (Hopwood, 1987) and who makes change happen. From a SST point of view, change is dependent on the subjectivity of the agent, i.e. it is endogenous. Many things outside an agent-in-focus can trigger and motivate change in her/his actions, or even shift her/his horizon of action. Nevertheless, it is through the action of organisational agents that the control structures are reproduced or modified, and agents draw upon their internal structures in order to act and interact.

Internal structures refer both to the agents' conjuncturally-specific understanding of their structural surrounding and their dispositions. The first covers the understanding of the agent-in-focus of (a) how other agents in context are likely to interpret the actions of others (signification), (b) what power capacities they consider they have (domination), and (c) the normative actions they are likely to adopt (legitimation). Dispositions cover deep structures within agents (Giddens, 1984), which are shared among those agents who have gone through similar socialisation processes (Mouzelis, 2008: 193). They include the internalised world views, cultural schemas, classifications, typifications of things, people and networks, and so on (Stones, 2005: 88). Dispositions, acting as an internal frame of reference for the agents, co-mediate their reading of a situation and the norms surrounding the situation. The term co-mediate is used to highlight that action is mediated – constrained and enabled – simultaneously by a plurality of structures or structural dimensions. However, arguing that control structures depend on the actions of organisational agents for their reproduction or change is rather a tautology from a structuration point of view. What is really of interest is which agents bring about change. This is covered next along with issues on why and how they introduce change.

The forms of change address why and how change happens. Coad and Herbert (2009) argue that the QNS model is silent on why its conceptual constructs interact to affect management accounting practice. It is suggested in this paper that the link to the above is to address the variations to the connections between the abstract ontological concepts of the QNS, i.e. to engage with the meso-level of theorisation and the variability on agents and agency. Variability addresses the varying degrees of capability that different clusters of agents-in-focus/subjects of change have. Moreover, variability covers the varying degrees of distancing between an agent-in-focus and the structures that mediate her/his actions, as well as the varying degrees of action outcomes in regards to the intentional vs. unintentional continuum.

In the course of action and interaction the agent-in-focus draws on his/her structures either unreflectively or critically (Stones, 2005: 55-58). In the first case the agent-in-focus in a habitual and unreflective way reproduces the structures. In the second case there is a critical distancing from the structures. Critical distancing addresses "...cases where rules and resources (in language, kinship, political or economic institutions) operate not so much as resources but as *topics*, not so much as means for acting, but as strategic goals, as objects that the subject approaches with theoretical, critical or monitoring intent" (Mouzelis, 2008: 117 – original emphasis).The already discussed distinction between routine and strategic action is based here. Routine action follows unreflective attitudes. Cases where the agent(s) strategically monitor structures (consciously try to change or preserve them) follow more critical orientations. Nevertheless, it is not possible to get completely away from the flow of action. The agent draws upon a plurality of structures in order to act (Coad and Hebert, 2009; Kilfoyle and Richardson, 2011; Mouzelis, 2008). Every distancing is always partial and incomplete since the agents need to draw upon other structures – that way reproducing them – in order to reflect upon any structural characteristic of their environment of action (Giddens, 1993: 6; Stones, 2005: 58). However, this partial distancing provides the local reasoning of action, i.e. why situated agents act in certain ways and not others. Moreover, it sensitises to the diverse and plural outcomes of action. That is because even when agents act strategically, they unreflectively draw upon and reproduce other structures.

Agency in structuration theory is connected with power: the ability of agents to act and influence their environment of action and interaction. On the one hand, certain structural formations may be *intractable* from the point of view of any agent-in-focus. On the other hand, other structures may well be *modifiable* or *malleable* when the agent-in-focus has the ability to have an impact on them (Stones, 2005: 66-67). Organisational control structures are potentially modifiable by the organisational agents. However, agents occupying different positions in an organisation have differing abilities to influence the reproduction of the control structures (Mouzelis, 1989; 2008: 227).

Both the above provide a shift from the potential to the actual change agents. The unreflective – reflective continuum suggests varying degrees of critical distancing (Mouzelis, 2008: 115-119, 124-130), and directs to the agents that have interests in preserving or changing the control structures or aspects of them. Power variations point towards those that have the capabilities to bring about or influence change (Mouzelis, 2008: 226-228). Variability also addresses the intentional change/unintentional reproduction mix that strategic action may bring about.

The meso-level variations discussed above have implications on issues of research design and data analysis. These are discussed next. The potential of the framework in studying the local specificities of change is illustrated through the case study that follows.

3. Methodology

The design of the research undertaken in this project is a circular design (Pawson and Tilley, 1997: 83–86): theory is used to direct the exploration, and the empirical data gathered are used to refine the theory. Since the phenomenon under study had already occurred (making the study retrospective), the aim was to collect narrative data on how hospitality organisations had responded to the crisis (Czarniawska, 2014: 21-27). Although the crisis had an impact on the whole Greek hospitality industry, there were accessibility problems. A similar difficulty in getting access to organisations facing financial problems was reported by Collier and Gregory (1995) in their study of the UK hospitality industry.

Despite this, workable data was obtained from 4 organisations. In these four cases 27 interviews from 25 participants took place. In the illustrative case used here, data were gathered between July 2011 and March 2012. This was the last of the 4 organisations visited. A total of 9 interviews took place ranging between 40 minutes and 1 hour. All of the interviews were tape recorded and transcribed. The researcher was also given access to a number of documents, mainly covering data regarding the history, the philosophy, the policies, and the quality control procedures of the organisation. Moreover there were plenty of publicly available data covering the period 2008 – 2011. The president and CEO of the organisation held a leading position in an associative body during this period and as such his views were frequently published in the press. Although he spoke on behalf of the association and not the organisation, a number of his positions are likely to be applicable to the organisation too (for instance he had publicly stated from 2008 that the crisis will be persisting). Another two press releases and four TV interviews by organisational representatives were also used. The above data, press, and TV interviews cover a four year period of crisis. The importance of these data lies in the fact that they express the positions of

organisational members at a specific point of time, mainly, but not exclusively, regarding the changing economic environment. As such, they complement and triangulate the retrospective reporting of the interviewees for this research.

While previous research uses the QNS model to analyse already collected data, this project uses the model to design the research rather than just in post-hoc analysis. Whilst the former approach can be valid, Blaikie (2010), Layder (1998), and others prefer empirical research that has at least theory in mind. One of the recognised strengths of Stones' work is the way in which it operationalises structuration theory in terms of both design and analysis (Bryant and Jary, 2011; Coad *et al*., 2015). Rather than the QNS model Stones (2005: 120-123) makes the bracketing of agent(s)' conduct and context analysis central to the research design using ST. The meeting point of the two brackets is the subjectivity of the agent(s)-in-focus, i.e. conjuncturally-specific internal structures link the brackets. In the case of conduct analysis they are directed inwards, towards the dispositions and practices of the agent-in-focus. In the case of context analysis they are directed outwards to the structural terrain the agent-in-focus faces. Conduct analysis concentrates "upon how actors reflexively monitor what they do; how they draw upon rules and resources in the constitution of interaction" (Giddens, 1984: 378). Within this bracket, a researcher can try to identify (1) the general-dispositional frames of an agent-in-focus, and (2) how an agent-in-focus perceives that her/his intermediate structural terrain – the possibilities allowed and the constrains imposed upon her/him – impacts upon her/his own projects, whether in terms of empowerment or not, or in change on priorities. The focus in this research is on how the agents-in-focus, by reflecting upon the changes in context, perceive that these changes impact upon their projects, and the possible impact on their dispositions/knowledge.

Context analysis tries to capture (1) relevant external clusters of agents and the position-practices relations that constitute them. Keeping in mind that external structures are diachronically distinct as means and conditions (T_1), as well as outcomes (T_4) of, action, within context analysis (2) the influence of particular clusters of agents on structural reproduction can be identified. This includes a factual analysis on what happened and by whom, and a hermeneutic analysis on the causalities of action (Stones, 1991). Here, context analysis is used to explore the changes in context, as well as how the agents-in-focus, in turn, orientated themselves towards the in-situ control structures, i.e. from what aspects of the control structures they took distance, and from what they did not, what they routinely reproduced and what they strategically tried to change or preserve. The meso-level concepts discussed in the previous section are used in both analyses; variations are used to address the local causalities of action, the capabilities of distinct clusters of agents to influence structural reproduction, and the intentional-unintentional impact of action on structures.

The model, as initially formatted, provided the themes of the inquiry. As such, it was possible to ask direct and penetrating questions on these themes. That made possible the production of sufficiently rich data on the themes under enquiry. Of particular value were questions aiming to provide narrative and evaluative data (Wengraf, 2001: 111–151, 174). Template analysis (King, 2004) was used to synthesise the themes deriving from theory (Miles and Huberman, 1994: 58; Wengraf, 2001: 255–283) with the themes emerging from the data (Ahrens and Dent, 1998; Miles and Huberman, 1994: 61–62). The dialog between theory and empirical data was used to refine the framework (Lukka and Modell, 2010). The initial level of analysis

was the interviewee. All other organisational agents were considered as being external for the agent-in-focus. By triangulating the way the interviewees interpreted the actions of themselves and the others, the analysis moved from the agent-in-focus to relatively distinct clusters of agents-in-focus. The next phase was to analyse who did what, why, and to what extent these clusters influenced the adaptation of control practice.

The framework as discussed above includes most of the data-emerging refinements. However, the analytical distinction between normative and figurational control structures, as well as the distinction of practice to routine and strategic emerged during the analysis of the case study. Finally, despite the already implemented suggestions on addressing a plurality of structures (or perhaps because of) a strong interplay between the budgeting and the quality control structures of the organisations was recognised. These issues are addressed in the discussion section.

4. Empirical application

4.1 The organisation

The organisation was founded in the mid-1980s as a single hotel. A second hotel was constructed four years later. By the early 2000s the organisation had developed into a hotel chain of ten hotels and a number of conference centres, with a number of smaller projects also being completed. All the hotels are owned and managed by the organisation. At the time of writing, they had more than 5,000 available beds, over 1,500 staff, and a new hotel under construction. The hotels vary from a minimum rating of 4 stars up to the luxury category, and target mainly international tourists.

Continuous improvement and innovation in new products and markets, investments in luxury infrastructures, and quality enhancement is the central philosophy of the organisation. Human resources are recognised as strategically important, and their personnel receive many benefits, such as long-term training and even a library covering management and operational titles. However, the organisation operates with a high degree of formality. For instance, they were one of the first hotel organisations in Greece to develop and record their quality standards in the early 1990s; a sizable volume describing the way in which procedures are to be followed *and* reported. Formal reports of their meetings are uploaded onto their intranet. In describing the organisation, the HRD[2] stated:

> "...I cannot say that there is something informal.
>
> - Isn't it?
>
> - No, everything is very structured"
>
> [the abbreviations correspond to the positions of the informants – see note 2]

This culture of formality in the dispositions of the agents-in-focus was central to events during the crisis years.

4.2 Budgets and budgeting

Budgeting starts in October. After a series of smaller meetings, a final formal meeting takes place where the president announces the main directions and assumptions for the next year. By then, the marketing department has already established their first forecasts of the next year's occupancies and prices per market segment or per travel agent. These expectations are later refined and unified at the level of each individual hotel forming the basis of its revenue calculations. Soon after, the hotel and departmental directors submit their project plans for the season. They "...say an idea, which as an idea must be supported, that is, we must do a small budget for the idea" (FD). These plans are accepted, rejected or revised by senior management and, based on that, the hotels and departments start to work on their annual budgets. During November the finance department sends budget forms to the hotels and departments. These forms include standard costs that are allocated to the hotels or supportive centres. Next, they agree the organisational chart for the year and make sure that it is reflected in the budget. All these procedures are a team effort. Hotel directors develop and organise tasks in close consultation with the main supervisors, as well as the finance and payroll departments.

Hotel budgets are submitted by early December and finalised, given senior management agreement, by late December. Nevertheless, the hotels are resorts and the operational year starts sometime in spring, depending on market conditions. Between late February and early March the budgets are updated[3], when there "...is a correction of the first budget, in order to place... with more clarity and accuracy the budget data" (HD D). In periods of instability or unforeseen events, more updates may take place.

Formally, the organisation produces annual budgets with details relating to each month. At an operational level, any department that is a revenue generator is characterised as a revenue centre and the rest as cost centres. Costs are monitored as flexible or standard, and treated accordingly. Operational revenue and costs end up at the gross operational profit (GOP) for each hotel. Next, common costs such as the costs of the hotel chain or other administrative, marketing, and maintenance costs are allocated to each hotel in order to calculate what they call GOP 2. Finally, they add depreciation and interest to produce their 'bottom line' profit. Hotel budgets are consolidated first into three divisional budgets, and then into the chain's master budget.

The chain uses budgets for planning and cost control. A control mechanism is in place to ensure excessive variances in important cost items do not occur. For example, staff planning takes place just before the start of the month. Planning reports go before the control department and any variances from the budgeted figures have to be justified. Moreover, the actual working days of line-staff are closely monitored by the controllers who take appropriate action where needed. Managers have open access to all budgets and budget data. During the operational period there are weekly meetings in each hotel, where the budget is always a discussion point. Once a month, a formal meeting takes place between the hotels and central administration. One of the issues is the course that the budget is taking. In cases of important changes, the budget has to be revised.

4.3 Reflecting external change, understanding change

The organisation operates mainly in three geographical areas and its hierarchical structuring reflects these areas as operational divisions. Local events greatly affected one division's occupancies as early as August 2007, then again in 2008. For the most fortunate division, the crisis depressed occupancies in 2008, but numbers were more satisfactory from 2009 onwards. Their main division, in size equal to both other divisions put together, had a good year in 2008, but was heavily affected during 2009. 2010 was slightly better, but still a bad year, and 2011 was considered as fair. In general, the crisis affected the hotels at different times, depending on their location. Overall, the managers consider that the crisis started to affect them in 2008, creating a trough in 2009, which later diminished. Nevertheless, occupancies are only one part of the story.

They managed to deal with decreased occupancies in the long run through targeted marketing strategies, such as organising tours for travellers with niche interests (i.e., with interventions at the meso-level of their external environment). They organised events in targeted towns within Europe, where they could gather and interact with selected representatives from important travel agents and tour operators. Nevertheless, there were other changes that they were unable to influence. Their main concern was the worsening cash flow. Travel agencies were, by 2008, holding back cash payments. Banking institutions were unable or unwilling to support the industry's operations. The majority of their hotels are summer resorts needing financial support during the non-operational season. Not only were the banks now less willing to provide new cash flow lines, but due to rising interest rates, taking out new loans did not appeal and older ones became more expensive. Moreover, when the financial crisis started the organisation was heavily committed in terms of investments, such as the construction of a new hotel.

A distinctive characteristic of the organisational environment during that period, though, was the high rate of unpredictable and intense political and economic interventions. These affected hotels both directly and indirectly; directly, by heavily increased taxation and indirectly by shaping aspects of the markets in which they operate. As a result, budgeted costs were also under pressure. The following reflection by a hotel director (HD C) is indicative on how these changes in context are perceived to impact both the organisation and his conduct.

> "...while budgeting now for 2012, because the figures now don't run as we want them, as they used to be... if in 2008 we had a turnover of let's say ten million, but what did we have then? We had a V.A.T. of 18%, we had other interests and other taxes in general... some side taxes that have increased very much... *they have given me* added expenses of one million out of nothing... *which company* has such a profitability that can hold a 10% increase of expenses out of nothing?"

4.4 Adapting to change

At the peak of the crisis the organisation was committed to major investments, and one of its divisions was already under pressure due to low occupancy rates dating back to 2007. Despite the fact that the financial crisis had not seriously affected them in 2008, their senior management forecasted, at that time, that the crisis would be a lasting one and took some

forward-looking actions. This pro-activity at the strategic level could be seen in their day-to-day operations as the crisis persisted. Reflecting that the changes in the context of the organisation would put even more pressure on the cash flow, senior management sifted the priorities of their projects and directed the organisation towards self-sustainability rather than growth. New investment would be minimal, although the hotel under construction was continued, but at a slower pace.

Executive and managerial remunerations were reduced in an effort to preserve management posts. Resources available to directors and supervisors were also reduced. Line staff had no reductions in their salaries, but they found themselves with more days off to match occupancy rates and gradually less seasonal posts were available. However, all staff had to be more productive, to protect the organisation's reputation for quality and luxury.

When this policy was introduced in 2008, a number of executives and workers disagreed with the new requirements. Senior management invested a significant amount of their time in communicating the necessity for these actions. Nevertheless, the negative forecasts were shown to be fair as the crisis worsened and reactions were gradually overcome by events. Senior management had forecasted that the crisis would be a lasting one, but they did not seem to have anticipated the severe pressure on budgeted costs. Whilst they witnessed a positive change in their revenue during 2011, bottom line results did not improve. A second series of more radical changes were introduced in 2011 and 2012, affecting both positions and procedures within the organisation.

4.4.1. Reflecting upon in-situ structures, operational action

Although certain actions had been taken by 2008 and many cost items were examined from a zero base, senior management found the organisation far from their initial budgeted figures in 2009. They had forecast that "...2010 will not be an easy year, but [they were] prepared to keep our quality standards and innovation" (HD A, Media Report, 2009).

A large brainstorming campaign took place to collect from their personnel ideas for more effective and less costly operations management. Marketing expenses were significantly reduced and marketing actions re-orientated to meet new strategic objectives. The strategy was "...very simple but also very complicated at the same time. One has to watch one's own habits..." (SE, Media report, 2010). Given that available resources were reducing, the goal of the campaign was to motivate the personnel to take *critical distance* from their established ways of doing things in order to save resources. The interviewee reports claim that this campaign was successful, with one example being a 22% decrease in electricity costs. As the financial director confirmed, although the pressure in 2010 continued, their performance was slightly better because they managed to control their operations more effectively:

> "...we were at about the same levels of performance and at the operational level we were slightly better... operational costs were better in 2010... because in 2010 we had the experience of a negative 2009 and we made better predictions in issues regarding the allocation of staff, the working hours, the consumptions."

Unfortunately environmental pressure continued, so the organisation entered a second phase of adaptations. They wanted to remain a profitable organisation, even if only marginally: "...if a company is not sustainable, if it is not profitable, you cannot invest, you cannot borrow" (HD D). Having already completed the first phase of adaptations, which resulted in significant cost savings, the task at hand now was not an easy one. The savings should affect levels of quality as little as possible, which they recognised as vital for their long term sustainability:

> "The problem however is not to get a result in 2012, it is to get a result in 2012 and making sure that you will come out better in 2013, because we are service providers... you cannot, say, have some good contracts in 2012 and based on that to do the cuts and lose everything in 2013" (HD B).

Pressed by the changes in organisational context, and the need to remain profitable and retain their levels of quality, significant changes started to take place:

> "Mr [president] is always proactive. So in 2008, end of 2007, when others did not understand what was going on, we were already proactive and we had started taking some actions but it was going more smoothly. But last year [2011] and this year we take more hardcore decisions... the first thing we did is that we examined all expenses from a zero base... we did not try just to reduce them, but to differentiate them, to change them completely... We changed some working positions, abolished others, gave other responsibilities... so we did an internal reorganising in a lot of positions" (HD A).

However, re-structuring would be a more accurate term. Senior management took critical distance from certain procedures - which can be interpreted as local reasoning of action. The strategic action that followed aimed to modify these procedures: "We changed many procedures that were done in certain ways; we changed and simplified them in order to have less bureaucracy and more immediacy" (HD A); "...those procedures to be followed, they needed people. So we abandoned the procedures and reduced positions" (EHsk). These abandonments included very detailed procedures requiring line staff to spend a significant amount of time recording and reporting for the purposes of quality control. Since that "... needed a lot of workload, this ended" (HRD). Inventory control was also significantly reduced. For many items there had been on-line inventory control, but "...this is not happening any more, there is not such a cost control; the result is now monthly, not daily or weekly as it was before" (HRD).

> "...the detailed control that was taking place before in certain issues will not continue in the future, we were very analytical...We no longer have this luxury, and it was probably a foolish thing to do anyway" (HD A).

They acknowledge that:

> "...there will be some losses that way... but you say 'I save some thousands of Euros in payroll, I save in future cost... but you will lose something else'... [Nevertheless] these are *strategic choices*, we reduced many procedures... *because* you cannot have a given number of people, to ask for better productivity, and ask them to become more bureaucratic too, you cannot do everything" [HRD].

This understanding came from an executive who had developed these procedures previously. She shared with the interviewer her fear about the possible unintended outcomes of this choice on quality performance, and her belief that when conditions allowed, they should return to their former standards of monitoring quality. However, she acknowledged that the changing context offers her limited capability to go achieve this return to previous procedures in the near future. Neither quality nor inventory control were regarded as unimportant. However, they reflected upon those activities which had become habitual and actively sought out routines in their control structures that required excessive resources in a crisis period. Interestingly, they distanced themselves from certain dispositions (Stones, 2005: 88) and de-formalised many control procedures to secure operational working hours that could be used to maintain standards of service for customers with a reduced staff.

The changes challenged their quality standards, but their customers were also more price sensitive than before and, as such, ready to accept small changes. Nevertheless, they tried to keep the "observed quality standard" (HD B) and be fair to their customers:

> "...in order to be honest and fair to the customer you may have to change operational philosophy. You cannot say 'I offer lunch in five outlets' and give the customer beans and a slice of bread... if you respect your customer and your work you cannot do that, so if you necessarily have to save something it is better to say 'look, there are four outlets in which I offer lunch' and keep your dignity in service provision" (HD B).

In short, where the organisation previously implemented high degrees of bureaucracy and formality, it loosened these in some respects in adapting to the changing environment. This was reflected in the changes introduced to their operational philosophy, as well as their quality and inventory control procedures. The interventions to their in-situ structures resulted in a reduction of positions, as well as to the abandonment of certain norms associated with quality and inventory control. However, the budgeting part of the story is quite different.

4.4.2. Reflecting upon budgeting, practising budgeting

4.4.2.1 First act

Budgeting practice was affected by the degree of change within the organisation. Managers soon witnessed that:

> "...the market is too price sensitive and contingent with last minutes offers, a situation that year after year gets worse, that is we get the reservation more and more on a last

> minute basis...this creates a feeling of insecurity... *planning* is now much more difficult" (HD A, Media Report, 2010).

> "Some years ago we could do a budget once and say 'ok, that's it', we had some indications... we considered the trends and the situation was over. You were budgeting and at the most you had to update it once... during the last years *we witness* that things get more liquid, not only from last minute booking, but also from parts that have to do with cost calculation" (HD A).

Despite this difficulty, budgeting was not loosened, and the importance of budgetary control was not questioned. What changed was that "…due to the facts there must be two or even three updates, different, say, budget versions when the external or internal conditions change" (HD A). The organisation needed up-to-date realistic data in order to plan how they would adapt to changing conditions. Predicting the volume of revenue, as well as actually bringing it in, was vital, because after the period budgeted for had begun "...you cannot adjust proportionally the costs in case of failure, you will 'break' the hotel" (HD B).

Moreover, environmental change triggered senior management to apply both "...much more stringent criteria" (HD B), and "...a big *pressure* towards reducing all forms of expenditure in the budget" (HD D). Another feature that gradually lessened was the possibility of political 'gaming' for resource allocations. Before "...you could say 'how am I to do a more accurate evaluation in order to pick from the owners a little more... when everything [costs] has gone up by 10% any possibility of such claims is erased, it is erased, it is taken off the map" (HD B).

During the operational year of the budget, there was increased pressure to stay as close to the budgeted figures as possible: budget pressure before "...was always there but we were not so much chained to the budget... you could get a little away... now there is no such thing" (EHsk). The above changes refer rather to actor-actor relations, and to more stringent enforcement of existing norms. Up to that point the only intervention targeting norms followed their cash flow concern mentioned above: "[E]ven [expenditure] time was given a specific set, say, you can only buy consumables in March and then in July... Before you could buy whatever you wanted every month" (HRD).

At the hotel level, in order to adjust to the new conditions, as well as to the increasing pressures put upon them by senior management, they had to "...do much more analyses in order to have the desired result, *if* we can... The *depth of analysis* has gone further after the crisis, it is greater" (FD). Following the budget during the year required a greater workload. Operational managers "...have to monitor it more closely" (HD A), while in the "...finance department... [they] have to work much more, in order to justify some things, as well as to predict, to revise" (FD). They are now in "...greater *readiness*...it needs a lot of *attention*...and also *faster decisions*" (FD). Moreover, there is now increased involvement around the budget, not limited to those who 'traditionally' undertake budgeting, but expanded to lower hierarchical levels: "...before, the budget was the concern of the directors... not everyone was in the game, now they are... it has gone very deep down" (EHsk).

As mentioned above, the modifications introduced came from two distinct clusters of agents. The senior management of the hotel chain head offices in Athens, and the hotel directors and their teams. The changes introduced by senior management mostly targeted the actor-actor figurational dimension pressing for more consistency with existing norms and practice. Up to this moment norms were not challenged, but rather drawn upon in order to monitor actual practice. In other words, strategic action that aimed to modify the figurational, now routinely reproduced the normative dimension. The exception to this is the precise setting of expenditure time limits, which were introduced to address cash-flow problems.

However, these interventions triggered what was for senior management an unintended outcome. As the hotel directors gradually realised that the changes were shifting the horizon of action of their conduct, and that through budgeting they were held more accountable than before, they made staff in lower hierarchical positions more subject to budgetary control. Before the crisis those lower-level positions were not expected to interrelate with other positions in the organisation through budgets. But this intervention modified both the figurational and the normative (position-position) relations and interactions, by adding budgeting practice as a normative obligation to positions that were not involved in budgeting previously.

4.4.2.2 Second act

However, the adaptive budgeting practices did not prove sufficient to lead the organisation out of the ongoing crisis. As discussed above, a second phase of more radical adaptations started to take place during 2011 in order to respond to persisting pressure from the environment. At the same time, a number of changes were introduced to budgeting that were to change its character markedly. Yet, while other means of control became less bureaucratic, budgeting became more so.

One director said "...after 2008 there were one to two years that we had negative results... in many of our hotels... but this cannot go on, so in this entire frame ways should be found in order, at the end of the year, for the figures to be different" (HD C). The senior management started to demand positive results and certain directives were issued towards this direction. The results were not expected to be overambitious, an illusion given the circumstances, but nevertheless they should have been positive, *specifically* positive:

> "...it is now very intense that we should have a comprehensive, a better, an overall picture of the situation and target to bring in numbers, that is, the number must come out... we must now focus clearly on the result" (HD A).

While budgets were previously used to quantify the organisation's plans, they pointed to the direction and not to an 'absolute' result. In the past, they had "...directly a positive sign, now if this positive sign was plus ten, plus twelve, plus nine, plus seventeen, it did mean something but not something tragic" (HD B). Before, this "...was not evaluated that much... now there is no room for that, you have to set up the budget in such a way that, at the end, the result is the one that should be" (HD C).

> "The point is that the budgets have a target now, have a real target, which must be achieved, because the cost category of third parties' debts, interests, and so on, has gone up enormously, enormously. Unfortunately *that is a factor that cannot change*. All other budget elements but that one can change, and that gives you the direction now on how you are about to act and what result you are going to have" (HD B).

The change, from direction planning to setting targets, was recognised by the agents in the hotel level as a change in their priorities. The same director that reported that budgeting could not now be used for negotiating resource allocations reflected that that there was "...an enormous change in the way you think when submitting a budget", i.e. change in the priorities of the agents' conduct, which follows now a rather pragmatic approach:

> "...your revenue is given, that is the revenue might go down, it cannot go up... and you also take the standard costs from the accounts department, those [costs] that are not dependent on your administration as a hotel director, then you try to figure out how to shape the costs that are up to you, in order for the final result to come about, *this is where the game is right now*" (HD B).

While these changes were about budget preparation, there were also a number of significant changes regarding the use of the budget during the operational year. The challenge now was to actually meet the budgeted targets, rather than to see the targets as indicators. Variances were always monitored, but after the crisis variance control became tighter and more stringent. As mentioned, expenditure "...was specifically set" (HRD), even before the second phase of changes, as a result of the effort to control cash flow. Setting specific monthly targets to the budgets, in terms of revenue and cost, was insufficient by itself to achieve the targets. They were aware that:

> "...because the tourist product is a sensitive one, during the period something may happen... and as a result the budgeted revenue cannot really come... this can affect largely the parts of cost too, but this is something that you cannot foresee. What you can do though, if it becomes obvious that this *will* happen, is to submit an extraordinary budget revision" (HD D).

The directives and expectations that were put forward in the second phase turned the budget into a 'wall'. In order to cross the budgeted 'limits', a director now needed to submit a revision, justify the need and get formal approval. While the dispositions of formality were challenged in the case of quality control, they were drawn upon and co-mediated the course of action in the modifications introduced in budgeting. Quite importantly the directors were now expected to act and get approval *in advance*: "...if something goes over the limit they must justify it, even if it is something that they didn't expect, but it would be better and more harmless to inform *before* they cross the limit" (EHsk). There is now an expectation of pro-activeness, about "monitoring the budget… not enough just to monitor it" (HD C). In other words, there came to be an expectation of active budget orientation and aggressive budget engagement:

> "It doesn't matter which month we refer to, what matters is that in order to monitor the budget of July, I have to start two months in advance... because when we are in July the month is over, what is to be done has been done, you cannot do much" (HD A).

While in the first phase senior management addressed critically the figurational dimension of budgeting, in this second phase they distanced themselves from the normative dimension too, and strategically tried to modify both. However, in order to act they also drew upon their formal dispositions in an unreflective way. The latter significantly co-mediated the course of action and the budgeting structures became more bureaucratic and formal than before. Introducing greater degrees of formality was not the only possible direction that could be followed. The crisis could trigger change towards more flexible controls, or even to the abandonment of budgeting (Becker, 2014). While critical distancing directs to the visible motivations of strategic action, and to the structural characteristics that the agent(s)-in-focus may wish to modify or preserve, what is drawn upon unreflectively also mediates the course of action and may be necessary in order to explain the direction of action. In other words, both external and internal structures (interactively) co-mediated the course of budgeting action, although in *varying* degrees upon an unreflective to reflective continuum (Mouzelis, 2008: 115-119).

During the interviews the researchers never had the feeling that the outcome of these changes on budgeting was a predetermined design with a master plan. While most of them were introduced by senior management, the interventions of hotel directors and their teams also had a significant role on the outcome, especially to the spatial expansion of budgeting to lower positions. If addressed as a whole, the changes in budgeting may appear revolutionary (Burns and Scapens, 2000). However, the changes evolved gradually during a 4 year period and were aimed at improving current practices, rather than introducing a one-off radical plan of budget reorientation. Perhaps revolutionary change describes better the changes in the quality control procedures. The managers wanted to control the costs, they wanted to secure a positive cash flow and, during the second phase of changes, they wanted to make sure that the organisation would remain profitable, even if only marginally. The ongoing environmental turbulence triggered management to try to respond as fast as possible to changes and, when possible, to try to be proactive. Not all of the changes were actually new 'rules', but rather directives or changes of expectations on how to apply the existing norms. Variance control was of course there before, but now it is expected to be monitored well in advance. Budget revisions were also within their procedures, but before it was "...not like this, it had to be something tragic, not like this" (EHsk). Now, it is a common event rather than an extraordinary one.

5. Discussion

The changes set out in the case study resulted in a quite sophisticated use of budget control. The senior management pressed for more consistent application of the already existing norms, and gradually issued a small number of directives also modifying the normative level of budgeting structures. As a result, an interesting re-schematisation at the figurational level took place, in which variance control came to be *variance management*. Budgeting came to be "...more substantial" (HRD). Codifying the change, this came to be by (a) the exact setting

of revenue and spending time to the budget, (b) *proactive* variance control *before* any calendar month of the operational year, (c) submission of budget revisions in case of variances, before or during the month (these revisions were not just for recording the variances, but include the specific close-future actions plans for *fast* variance correction), and (d) post-action variance control, which in many cases was to be the start of a new circle centring on the next month. Since the actual challenge was "...to respond quickly to whatever the future comes to be" (Otley, 2003), budgets gradually became a "locus of institutionalised reflexivity" (Seal *et al*., 2004), constantly monitoring and regulating the action within the organisation.

Moreover, the changes expanded budgetary control deeper in organisational space, by prescribing budgeting practice as a normative obligation to lower post positions. Although the changes in budgeting enhanced the formality of the control structures and intensified budgeting practice, there were changes following the opposite direction. Many control procedures that were mainly directed at controlling lower operational staff had to be loosened and de-bureaucratised in order to release more operational time, to enhance productivity. This was particularly intense in regards to quality control. Finally, the examination on the objects of change includes questions on those who are changing (Busco *et al.*, 2007). These changes reinforced a spreading of an accounting mentality within the organisation, so that there was a change on the dispositions (Stones, 2005: 89) of the agents: "...when we say that we are becoming accountants, yes, that is truth, we are becoming because we have to monitor [the budget] closely, much more closely than before" (HD A).

In regards to the subjects of change, before the crisis the reproduction of budgeting used to be the outcome of the interactions between the senior management at the head office in Athens and the directors of their hotels dispersed throughout Greece. Many of the modifications on budgeting came from the senior level, to control the hotel directors. Yet, the hotel directors and their teams were the ones who moved towards more detailed and accurate budgets, in an effort to find adequate space for the required actions that would result in savings. Moreover, the 'invitation' to lower level agents to engage in budgeting was more the result of their agency too. Before "...the directors were dealing with the budget... you can now ask everyone, the lower supervisor, he has this fear not to get away from it... now the director puts everyone in the game, that is, he has rolled his stress over" (EHsk). In the course of structuration, norms and rules can emerge not only from above, but also from below (Mouzelis, 1992). It seems thus that there were different logics (Burns and Vaivio, 2001), in which different clusters of agents played their parts, although unequal in weight, in the structural outcome. These were, and are, not the only logics present in the organisation. Quality performance is recognised as vital given that the hotels target upper market segments. However, the changes in context shifted the capabilities and the priorities of the agents-in-focus, both empowering logics of accounting control and weakening logics of quality control, i.e. they were enabling for the former, but constraining the latter. Agents favouring quality logics were, and still are, potential change agents. However, *variations* in capabilities point towards the actual change agents, and add to the understanding of the course of change.

The varying degrees of distancing between an agent-in-focus and the structures that mediate her/his actions indicate the local causalities of action. Eliciting knowledge on the local causation of actions is one of the main objectives of explanatory qualitative research

(Huberman and Miles, 1985: 143-148; Sayer, 2000: 114-118; Scapens, 1992; Maxwell, 2004). The framework adopted here facilitated an exploration of how a contextual change driver is translated to endogenous change. The crisis, as a change driver, shifted the horizon of action of the agents-in-focus, and triggered awareness and reflection. However, actual change came from distinguishable clusters-of-agents within the organisation. They reflected upon how the changes in context impacted upon both the organisation and their own projects. Moreover, they reflected upon their in-situ control structures and strategically acted to modify them. The agents in the case study, set in action by the crisis, started criticising the ways they practiced budgeting, drawing upon the ways they should do this according to their norms. Questioning and intervention on their norms came gradually in a subsequent phase. In other words, there were episodes of distancing themselves from structures. As illustrated in the case study, this distancing is always incomplete, as the agents drew upon a plurality of structures in order to interpret their organisational control structures through criticism and questioning norms.

Organisational agents are not isolated from the broader social environments of action which co-mediate their reading of the situation: "It is because, *especially nowadays*, you have to have a result targeted that must come about" (HD B). Nevertheless, it is this partial and selective distancing that pushes them to act in certain ways and not otherwise. What is of particular importance is that through this distancing we can observe, in parallel, the unconscious reproduction of other structural features. Although questioned during the case study about their quality control structures, the formalities imbued in the dispositions of staff during previous times persisted and co-mediated their budgeting practices, and these were, in turn, reproduced by those practices. In short, a contextual change driver, in-situ control structures, and internalised dispositions interactively shaped the course of action. Context and content analysis is used to analyse the variations in the ways these abstract concepts interact, and to indicate local reasoning of action.

The approach taken here provides an alternative to the ways in which ST is usually applied in empirical research. Predominantly, ST is used as a sensitising device (Englund *et al*., 2011) for inductive work, and not as a means to design a priori a study with a specific research problem at hand. Giddens' (1984: 373-375) suggests that structuration processes should be investigated through the methodological bracketing of institutional analysis, which is conducted in the absence of subjectivity, and strategic conduct analysis, which places institutions in suspension. In accounting research, this suggestion has lead to just one side of the bracket being employed, namely the institutional which becomes the focus of the majority of ST studies (Englund *et al*., 2011).There have been debates on whether the institutional (Scapens and Macintosh, 1996) or the strategic approach (Boland, 1993; Englund *et al*., 2011) is closer to the original premises of the theory. In comparison, Stones develops the missing epistemological aspects of structuration using agent's conduct and context analysis. This may reduce institutional analysis but it provides a balanced approach to the study of specificities of change and the duality of structure because it becomes possible to address how the external mediates the agents' conduct, and how action, in turn, reproduces, challenges, or modifies structures.

6. Conclusions

The framework discussed in this paper was developed in order to study ex-post how the budgeting and management control practices and structures were adapted after the triggering of the financial crisis. The experience gained through this research project shows that SST provides a strong methodological pathway in order to address the process of structuration from the agents' point of view. Through interpretations provided by agents-in-focus it is possible to address not only their practices, but also the practices of other clusters-of-agents and how these affect change. Moreover, the QNS model directs the analysis of narrative data, since it analytically positions in time external, internalised structures, active agency, and structural outcomes (Jack and Kholeif, 2007). Researchers are not necessarily addressing every phenomenon that co-evolve in practice (Czarniawska, 2014) but designing research with this theory in mind (Layder, 1999) allows us to examine the nuances and fine brush strokes (Stones, 2005) of specific phenomena. A theoretically informed research design has the advantage of engaging directly with the phenomenon under study and the sequence of events associated with it. However, if rigidly applied it may restrict researchers from acknowledging other co-evolving phenomena linked to the problem at hand, like the interplay of budgeting and quality controls in the case of this project. One further limitation is that by using prior theory one limits the findings of any research to the range of the pre-defined concepts. The design of this research is directed towards collecting specific data, therefore other data that may not be collected limit the scope of this study. However, the use of the interview method offers many opportunities to identify not previously envisaged data and phenomena, so it lessens these limitations.

It has to be mentioned that the dichotomy between independent and irresistible external structures does not adequately describe the control structures of organisations. Control structures here are treated as irresistible, but in respect that certain powerful agents can modify them. The work of Mouzelis was very helpful in the course of this research. Although Stones implements many of Mouzelis' suggestions in the QNS model, there is space for a closer interconnection. Mouzelis' (1989; 2000; 2008) approach on a dual conception (i.e. institutional and relational) of external structures, and the variability of the relations between structures and agents, as well as on the power capabilities of agents complement in many ways the QNS and provide interesting questions for future research.

It is suggested that the framework can provide a basis for retrospective case studies on management accounting change. Researchers following that approach are advised to apply the model in an ongoing sequence. As the case illustrates, there may be phases in change efforts, which may have differing results on in-situ structures. On the one hand, in this research it was possible to address how institutionalised control practices changed, by whom, and why they changed towards certain directions and not others. On the other hand, a different research design is needed in order to address whether these changes become institutionalised in turn. Although many suggestions from the data may support such a claim, periodic research visits like the ones made by Coad and Herbert (2009) are maybe better designed to address such a question. Moreover, the framework may have to be modified in order to analyse practice following other drivers of change, or change triggered by other events. Future research following that line should pay attention to the co-mediating role of dispositions for shaping the course of change. Another point that may bring interesting insights is the intentional change/unintentional reproduction mix that strategic action may bring about. Finally, more research is needed in order to test whether this framework can assist research following different designs, such as in-depth or longitudinal studies.

Notes

1. The degree of influence on structural modification that the agent(s)-in-focus have depends on their (a) perceived power to resist, (b) their knowledge of alternative courses of action, and (c) the critical distancing that is needed in order to engage in strategic stance in relation to a particular external structure (Stones, 2005, 114-115).
2. HRD = Human Resources Director.
   FD = Financial Director.
   HD A, HD B, HD C, HD D = Hotel Directors.
   SE = Senior Executive.
   EHsk = Executive Housekeeper.
3. The term ‘update’, rather than ‘revision’, is used because it is a routine procedure and, moreover, takes place before the operational period commences.

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