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EXPLORING THE INTERPLAY BETWEEN ACCOUNTING AND STRATEGIZING THROUGH A SOCIO-SPATIAL VIEW OF ORGANIZATIONS

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Ai miei genitori e alle mie sorelle

CONTENTS

INTRODUCTION

Since Anthony's (1965) seminal work, the relationship between accounting and strategy is a question that has been central to the accounting agenda. Over the years, several scholars have repeatedly addressed this topic from different points of view and constantly called for more research in this field (e.g. Chapman, 2005; Dent, 1990; Langfield-Smith, 1997, 2005).

As highlighted by Langfield-Smith (2005), in investigating the relationship between accounting and strategy, early accounting studies have emphasized the role of accounting as a means for ensuring an adequate implementation of a predetermined strategy. This idea resonates with a conception of strategy which is stable and immutable and with a consideration of accounting as subordinated to strategy. Different strands of literature have followed this approach. In this regard, contingency theory can be considered the most enduring stream of studies and has been characterised by a focus on the "fit" between business strategy, accounting and contextual variables, revealing a unidirectional relationship between accounting and strategy (Govindarajan & Gupta, 1985; Merchant, 1985; Simons, 1987).

The transition between 1980s and 1990s from a stable and predictable socio-economic context to a complex and uncertain socio-economic environment with high competition pushed to challenge the existence of linear pathways between

accounting and strategy. Hence, previous assumptions started to be enriched by studies which instead were based on the fundamental idea that mutual relations between strategy, measures and actions exist (i.e. studies on Performance Measurement Systems, see for instance Dixon, Nanni & Vollman, 1990; Lynch & Cross, 1992).

Despite this longstanding tradition of studies which examine the link between accounting and strategy, several authors have claimed that the relationship between accounting and strategy has not been fully addressed (e.g. Ahrens & Chapman, 2007; Boedker, 2010; Chapman, 2005; Chua, 2007; Langfield-Smith, 2005; Whittington, 2011). These authors have argued that previous research has often depicted a passive role for accounting in relation to strategy and that they have treated strategy as a "black box" (Chua, 2007, p. 490) disregarding the question of what strategy is.

At the same time, within the accounting literature a concern for the everyday practice of accounting emerged (Ahrens & Chapman, 2005, 2007; Vaivio, 1999). This contemporary "practice turn" (Chua, 2007, p. 489) in accounting research, significantly inspired by Hopwood (Hopwood, 1983, 1987; Hoopwood & Miller, 1994), sought to concentrate on how accounting affects and shapes organizational practices, focusing on the operational and strategic level and on organizational actor's actions and motivations.

Against this background, several accounting scholars have started to interpret the relationship between accounting and strategy shifting from the concept of strategy to that of *strategizing* (e.g. Ahrens & Chapman, 2007; Begkos, Llewellin & Walsche, 2019; Jørgensen & Messner, 2010; Ozdil & Hoque, 2019). The first calls for studying accounting and strategizing (Boedker, 2010; Chua, 2007) arose from a dual need: on the one hand, to study accounting as a practical activity by analysing the impact it can have on the doing of strategy on a daily basis according to a micro-level perspective. On the other hand, to unpack the "black box" labelled strategy and challenge the passive role of accounting in order to overcome the limitations of previous accounting and strategy studies.

The notion of strategizing embraced by these scholars is developed by a body of studies emerged in organizational and management literature under the label of *Strategy as Practice* (SAP), which at the beginning of the 2000s sought to distance itself from the traditional strategy research, by considering strategy as a social practice. SAP research looks at strategy not as something that organizations *have* but as something that companies *do*, with the aim of "humanizing" organizational and strategy research (Chia, 2004; Johnson, Melin & Whittington, 2003; Whittington, 2003). Importantly, SAP research posits that strategy ought to be studied as an emergent, social practice that requires sociological inquiry. Accordingly, SAP researchers do not speak simply about strategy, but they introduce the concept of *strategizing* (e.g. Clegg, Carter & Kornberger, 2004;

Jarzabkowski, Balogun & Seidl, 2007; Johnson et al., 2003; Whittington, 2003, 2006). They conceptualize strategy as a "social accomplished activity" and strategizing is defined as "those actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing that activity" (Jarzabkowski et al., 2007, p. 7-8).

On this basis, in the last few years a literature on the relationship between accounting and strategizing has started to gain momentum, mainly addressing the performative role of accounting in enabling or hindering the strategizing process and in framing the identity of the main strategists. This literature (e.g. Ahrens & Chapman, 2007; Begkos et al., 2019; Englund, Gerdin & Burns, 2017; Fauré & Rouleau, 2011; Jørgensen & Messner, 2010; MachIntosh & Beech, 2011) represents the literature domain of this thesis.

Although the research field of the link between accounting and strategy is not new, the new perspective provided by the concept of *strategizing* seems promising in renovating interest in a research area which is crucial to the extent that companies operate in an unstable socio-economic context which is moving rapidly, where accounting may provide "innovative strategic responses" (Chapman, 2005, p. 1).

Given these premises, the research aim of the thesis is to further investigate the relationship between accounting and strategy adopting the concept of *strategizing*. To this end, a literature review of accounting and strategizing studies

is conducted in order to deepen the understanding of an emerging literature that is experiencing a growing development in the last ten years. The literature review leads to the identification of research gaps and to the formulation of research questions.

The general aim previously illustrated can be translated into two main research questions:

RQ1: What role can accounting take in the strategizing process and how may it evolve?

RQ2: How do accounting and strategizing mutually interplay in day-to-day organizational life?

To answer the research questions, theoretical insights from the socio-spatial view of organizations (e.g. Dale, 2005; Dale & Burrell, 2008; Petani & Mengis, 2016; Taylor & Spicer, 2007; Tyler & Cohen, 2010) with empirical findings derived from a case study will be combined. In detail, in order to disentangle the relationship between accounting and strategizing, this thesis builds upon a body of organizational studies that have drawn inspiration from a socio-spatial perspective theorized by the French philosopher Henri Lefebvre.

A socio-spatial view of organizations, inspired by Lefebvre's (1991) theoretical framework (well known as *spatial triad*), is valuable to advance some studies which link strategizing and space and have begun to explore strategizing as

a “spatial accomplishment” (Jarzabkowski, Burke & Spee, 2015, p. 27). In the meantime, in the accounting literature, acknowledgement has been given to the performative role of accounting in constructing spaces by defining patterns of distance and proximity (Corvellec, Ez, Zapata & Campos, 2018; Quattrone & Hopper, 2005), rendering spaces visible (Carmona, Ezzamel & Gutiérrez, 2002; Miller & O’Leary, 1994) and creating rooms for discussion and interrogation (Busco & Quattrone, 2015).

Thus, the socio-spatial perspective of organizations is used to interpret the relationship between accounting and strategizing by discussing the role of accounting in the social production of “strategy spaces”, which derive from the encounter between how strategy is conceived, perceived and lived (Lefebvre, 1991) as strategizing is embedded spatially.

As aforementioned, these theoretical lenses have been used to “read” the empirical material collected during a case study conducted within an Italian company operating in the manufacturing sector. The company represented a suitable setting because a strict relationship between strategic and accounting practices had emerged over the years, which was crucial to face the relevant challenges posed by the growth strategy pursued by the company during almost all of its existence.

This work aims to contribute to accounting and strategizing literature (e.g. Ahrens & Chapman, 2007; Englund et al., 2017; Ezzamel & Willmott, 2008; Fauré

& Rouleau, 2011; Jørgensen & Messner, 2010; Kornberger & Carter, 2010; Ozdil & Hoque, 2019; Tekathen, Bui & Wang, 2019) in several manners. First it will contribute to extant research which investigated how accounting may enable strategizing by disentangling the relationship between accounting and strategizing as well as shedding light on the different roles that accounting can play in the strategizing process. Furthermore, it will contribute to extant knowledge by showing that the role of accounting in the strategizing process may not only change but also may evolve. Finally, it will contribute to previous studies by showing how strategizing and accounting may mutually construct each other through specific accounting tools, practices and roles and through their interactions.

This thesis will also contribute to strategizing literature by extending prior studies on strategizing and its spatial dimension (Hydle, 2015; Jarzabkowski et al., 2015) through the elaboration of the notion of "strategy space", which is constituted by the encounter between the Lefebvrian concepts of *conceived*, *perceived* and *lived space* (Lefebvre, 1991).

Finally, this thesis will contribute to accounting literature on the performative role of accounting in constructing spaces (Busco & Quattrone, 2015; Carmona et al., 2002; Corvellec et al., 2018; Dambrin & Robson, 2011) by highlighting how accounting can participate in the construction of "strategy spaces".

The thesis is articulated in three chapters as follows. The first chapter provides a more detailed description of the background of the thesis and a review of the main accounting and strategizing studies. Firstly, it illustrates early accounting and strategy literature to better understand how and why accounting scholars started to explore the role of accounting in relation to the concept of strategizing. After illustrating the notion of strategizing as elaborated in management and organizational literature, the accounting and strategizing body of research is reviewed, to show the most relevant contributions on the topic under investigation which represent the literature domain of this thesis. The literature review leads to the identification of the main gaps, after which the research questions are delineated.

The second chapter shows the theoretical lens used to interpret the topic under investigation. First, the chapter presents the main elements of the socio-spatial view of organizations, mainly derived from the translation within the organizational research of Lefebvre's work (1991) who pioneered a social perspective of space. The chapter continues by illustrating the relevance of the concept of space both in strategizing and accounting literature. Finally, it demonstrates how a socio-spatial view of organizations may be used as a valuable theoretical lens to interpret the relationship between accounting and strategizing.

The third chapter presents the case study conducted to help answer the research questions. First, the chapter provides explanations about the research

methodology, the choice of the case study method as well as the processes of data collection and data analysis. After providing an overview of the company selected for the case study, the chapter continues with the presentation of the empirical evidence in the form of three strategizing "narratives" (Czarniawska, 2004; Llewellyn, 1999). Finally, the main findings are discussed adopting the theoretical lens illustrated in the previous chapter.

Ultimately, the conclusion summarizes the main findings, outlining the theoretical contributions and practical implications and identifying limitations and future research avenues.

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This thesis is part of a wider research project which led to the conference paper "Family business advising, strategic work and unfolding spaces" (co-authored by myself, M.S. Chiucchi and S. Quarchioni). The paper has been presented at the 15th EIASM workshop on family firm management research held in Nantes in May 2019 and at the International Family Enterprise Research Academy (IFERA) annual conference held in Bergamo in June 2019.

CHAPTER 1

ACCOUNTING AND STRATEGIZING: INSIGHTS FROM THE LITERATURE

1.1. Introduction to the chapter

This chapter will provide a review of the main contributions on the topic under investigation, which represent the literature domain of this thesis. Before reviewing the existing knowledge on the relationship between accounting and strategizing, the research background is outlined to understand how and why in the last decade scholars have started to focus their attention on the linkages between accounting and strategizing. In this regard, a brief overview of early accounting and strategy studies is provided (section 1.2).

The limitations of these studies combined with an emergent concern for practice in accounting research (section 1.3) pushed several scholars to call for a more detailed investigation of the link between accounting and strategy, relying upon a new conception of strategy (i.e. strategizing) as a practical and social activity

broadly understood as the doing of strategy (Jarzabkowski et al., 2007; Johnson et al., 2003). After illustrating the definition of strategizing (sub-section 1.4.1) the main calls for studying accounting and strategizing are outlined (sub-section 1.4.2).

Accounting and strategizing studies represent an emerging stream of research. To gain an in-depth comprehension about the topic under investigation the section 1.5 will present a review of the main studies which investigate the relationship between accounting and strategizing providing a classification of the main contributions (sub-section 1.5.1 and sub-section 1.5.2). Then, section 1.6 will delineate the main research gaps and the research questions.

1.2 Early accounting and strategy research

Since the contribution of Anthony (1965), the link between accounting and strategy is an issue that has been repeatedly studied in the accounting literature (see Langfield-Smith 1997, 2005 for comprehensive reviews). Anthony (1965) provides a valuable framework for interpreting planning and control system: the author suggests that organizational planning and control systems can be segmented into three categories: strategic planning, management control and operational control[1].

[1] *Strategic planning* is defined as the process of deciding on objectives that the organization will undertake, on changes in these objectives, on the approximate amount of resources that will be allocated to obtain these objectives, and on strategies that are useful to guide the acquisition, use, and disposition of these resources. *Management control* is the process by which managers assure that resources are obtained and used effectively and efficiently in the achievement of the organization's objectives. *Operational control* is the process of assuring that specific operational tasks are carried out effectively and efficiently (Anthony, 1965).

According to the framework, these three components are strictly separated: the main purpose of management control system is to guide the organization through the implementation of its explicit objectives, which were defined at the strategic planning level (Anthony 1965).

Inspired by this model, as stated by Boedker (2010), early accounting studies have predominantly adopted a so-called ostensive approach according to which strategy is seen as stable and immutable, while accounting has a subordinated role since its main aim is to ensure the effective implementation of established objectives.

One of the main examples of an ostensive approach to accounting and strategy research is the contingency theory (see Govindarajan, 1988; Govindarajan & Gupta, 1985; Gupta 1987; Haka, 1987; Larcker, 1981; Shank & Govindarajan, 1992; Simons, 1987). From 1980s, this theory informed most of the empirical works in the accounting-strategy field with the objective of investigating the systematic relationship between specific characteristics of the accounting system and the strategy of an organization (Govindarajan & Gupta, 1985; Simons, 1987). In particular, the contingency approach encouraged accounting researchers to study which type of accounting controls best fit specific strategic archetypes such as Defender and Prospector (Miles & Snow, 1978; Simons, 1987)[2]. A defender

[2] The defender-like strategies are associated with high environmental predictability and stability and little product or market development. The focus is on internal efficiency and companies which adopt

strategy, for example, is characterized by less stringent and centralized planning and control systems, focused on reducing uncertainty, emphasizing problem solving and on technological efficiency (Miles & Snow, 1978). A prospector-type strategy typically requires planning and control systems that closely monitor performance and performance goals with frequent reporting and monthly budget targets revision.

Along this line, Govindarajan and Gupta (1985) measure the "fit" between strategic archetypes and the criteria used for bonus determination (i.e. formal or subjective) at Strategic Business Units (SBUs). In a similar vein, Govindarajan (1988) examines the fit between strategy (i.e. low cost and differentiation) and accounting mechanisms (i.e. budget evaluative style, decentralization and locus of control). Govindarajan (1988, p. 835) finds support for his hypothesis that "if an SBU has appropriately matched all three administrative mechanisms simultaneously to its strategy, it will operate at higher levels of effectiveness than otherwise". Again, strategic posture determines the configuration of management accounting controls to provide optimal "fit". Larcker (1981), Haka (1987), and

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a defender strategy are characterised by a narrow product range and a high knowledge of input-output relationships. Given these conditions, it is easier for the company to set performance measures and targets. The functions that are critical for company's success are production and engineering whereas marketing and research and development are less relevant (Miles & Snow, 1978). The prospector-type strategies are usually associated with high environmental uncertainty and low stability. Companies which adopt a prospector strategy are constantly searching for market opportunities. In these situations, goals tend to be long term and difficult to quantify, thus it may be difficult to develop performance measures and targets accurately and to measure objectively managerial performance. Critical functions for competitive success are marketing and research&development, with less emphasis on efficiency and profit, because the first concern is to maintain the market leadership (Miles & Snow, 1978).

Shank and Govindarajan (1992) develop decision rules for tailoring capital investment decision models to a given strategy. In summary, contingency theory by focusing on the "fit" between business strategy, accounting controls and contextual variables (e.g. the level of environmental uncertainty) conveys the idea that the relationship between accounting and strategy is stable and linear. Accounting is an output of strategy and it is tailored in order to support the implementation of the corporate strategy (Dent, 1990; Roberts, 1990; Simons, 1987, 1990)

A similar approach is adopted by positivist theorists, such as Kaplan and Norton (1992), and Ittner and Larcker (1997). The work of these authors is concentrated on the role of management accounting technologies (e.g. Balanced Scorecard) in monitoring strategy and in helping organization implement strategic and growth initiatives finalized at leading to a competitive advantage and superior performance. Similar to contingency route, these studies do not delve into "how strategy can change during the implementation process when affected by different users or the attributes of the institutional context" (Boedker, 2010, p. 596).

In view of the move from a stable and predictable socio-economic environment towards a context characterized by uncertainty, instability and complexity, between 1980s and 1990s a further elaboration of the link between accounting and strategy is provided by the strand of research related to Performance Measurement Systems (PMS) (see, for instance, Dixon et al., 1990; Lynch & Cross, 1992). The various PMS models proposed over time (e.g. the Performance Prism,

The Integrated PMS, the Performance Pyramid) have in common the use of multidimensional measures and the fact that they go beyond the unidirectional relations between accounting and strategy (Collini, 1993). Indeed, PMS are based on the existence of a reciprocal influence and circularity between corporate strategy actions and measures (Dixon et al., 1990; Lynch & Cross, 1992). The PMS aims at enabling an effective control of the corporate strategy and of strategic actions. If strategy and actions change also measures have to be adapted. The measures, in turn, influence strategy and strategic actions since they might show the necessity of reformulating strategy and consequently actions.

Furthermore, in that years, Simmonds (1981, p. 26) first introduced the concept of strategic management accounting as "the provision and analysis of management accounting data about a business and its competitors, for use in developing and monitoring business strategy" (see Langfield-Smith, 2008 for a comprehensive review on strategic management accounting). From that moment onward, a consistent body of literature started to investigate management accounting as strategic oriented.

Despite this rich body of research on accounting and strategy, during the last two decades, several accounting scholars have argued that a more detailed investigation of the linkages between accounting and strategy is needed (e.g. Ahrens & Chapman, 2007; Boedker, 2010; Chapman, 2005; Chua, 2007; Langfield-Smith, 2005; Miller O'Leary, 2005). According to these authors, there were three

main points of critique. Firstly, previous accounting studies have depicted accounting as a passive means to control and monitor strategy, disregarding the performative role accounting played as an "actor with transformative qualities" (Boedker, 2010, p. 613). Secondly, early accounting studies have treated strategy as a "black box" (Chua, 2007, p. 490), assuming the linear and fixed nature of strategy and the existence of predetermined linkages with accounting. Importantly, early accounting studies have disregarded to study accounting as a practical activity and its influence on other organizational practices (such as strategizing). This critique resonates with the emergence of a *practice turn*[3] (Ahrens & Chapman, 2007; Chua, 2007; Hopwood & Miller, 1994) in accounting research as it will be illustrated in the next section.

1.3 The emergence of the practice turn in accounting research

Over the past few decades, accounting studies have furthered our understanding of how accounting interacts with organizations and society. The rich body of early interpretive studies that has developed since 1970s (see Baxter & Chua, 2003; Hopwood & Miller, 1994) have shed light on the ways in which "the social, or the environment, as it were, passes through accounting. Conversely,

[3] The shift in accounting towards a practice oriented focus is situated within the wider 'practice turn' (Orlikowski, 1992, 2000; Reckwitz, 2002; Schatzki et al., 2001) in social sciences, resulting from a general dissatisfaction with the prescriptive models and frameworks arising from functionalist views.

accounting ramifies, extends and shapes the social" (Burchell, Clubb, & Hopwood, 1985, p. 385). Thus, accounting is no longer considered as a neutral device that simply reports and documents the activity of an organization, but as a social and institutional practice that is intrinsic to and constitutive of organizational processes and social relations.

Early interpretive studies have sought to avoid considering only the functionalist properties of accounting, since they have recognized that accounting is implicated in the shaping of the context in which it resides (Hopwood, 1978; Hopwood & Miller, 1994). Particularly, interpretivist researchers have criticized the functionalist view according to which organizational objectives determine the use of accounting (Cohen, March, & Olson, 1972; March, 1987). Indeed, accounting and organizational objectives are interrelated, since the latter may be continuously reformulated as numbers, information and calculations are revised (Den Hertog, 1978; Hedberg & Jönsson, 1978). Consequently, accounting is often used for political purposes (Bariff & Galbraith, 1978; Wildavsky, 1978) and it is involved in decision making and in processes of organizational learning (Burchell, Clubb, Hopwood, Hughes & Nahapiet, 1980).

In summary, these early interpretive studies of accounting have acknowledged its non-static and variable nature and its unintended consequences. The interpretive studies, recognizing the diverse implications of accounting in

organizations and society, represent the wider intellectual context within which the contemporary concern with accounting as practice emerged.

Particularly, the emergence of the contemporary practice turn in accounting (Ahrens & Chapman, 2005, 2007; Chua, 2007; Jørgensen and Messner, 2010; Vaivio, 1999) arose with the purpose of bridging the gap in early accounting interpretive studies which left "relatively unexplored the practical commercial and strategic uses of accounting" (Ahrens & Chapman, 2007, p. 2). The studies which address the practice nature of accounting seek to study the social embeddedness of accounting, "the deep interpenetration between the technical practices of accounting, the meanings and significances that are attributed to them and the other organisational practices and processes in which they are embedded" (Hopwood, 1989, p. 37).

Drawing on practice theorists (e.g. Schatzki, 2002; Orlikowski, 2000; Reckwitz, 2002) some authors have made a more explicit formulation of a practice approach to accounting (Ahrens & Chapman, 2005, 2007; Chua, 2007; Jørgensen and Messner, 2010) in order to focus more on how accounting informs and shapes the organizational processes, such as strategy processes.

The seminal work on the practice approach to accounting is the work of Ahrens and Chapman (2007). The authors draw upon Schatzki's (2005) theory to analyse the way in which specific organization members use accounting to bring organization's practices in line with the overall strategic objectives and to achieve

specific organizational objectives. In particular, they show how restaurant managers of a British restaurant chain use accounting information in the construction of the restaurant's strategy.

The emergence of this concern for the everyday practice of accounting in shaping organizational practices combined with the emergent concern for strategizing led to the call for a more detailed examination of the relationship between accounting and strategy, as it will be further explained in the next sub-sections.

1.4 Towards the study of accounting in relation to strategizing

As showed in the previous section, in accounting research a practice-oriented focus started to be used to study accounting in the contexts in which it resides (e.g. Ahrens & Chapman, 2005, 2007; Mouritsen, 1999; Vaivio, 1999) which means examining the ways in which accounting relates to, and intersects with other organizational practices (Hopwood, 1978; Hopwood & Miller, 1994). This emergent concern for practice combined with the critique to the limitations of previous accounting and strategy research, led to the first calls for studying the relationship between accounting and strategy shifting the focus from the concept of strategy to that of *strategizing*. Before illustrating more in detail these calls a definition of strategizing is provided.

The notion of strategizing adopted in accounting and strategizing studies, is mainly linked to a strand of research emerged in organizational and general management literature labelled *Strategy as Practice* (SAP), which have developed from the first years of 2000s. In order to provide a general overview of the concept of strategizing, the seminal works of SAP research (e.g. Chia, 2004; Jarzabkowski et al., 2007; Whittington, 2006) are analysed in the following sub-section.

1.4.1 The Strategy as Practice perspective and the concept of strategizing

According to several authors (Jarzabkowski et al., 2007; Vaara & Whittington, 2012), by remaining on the macro-level of firm and markets, traditional strategy research has often treated strategy as a "black box", assuming that strategy is created at the top management level and implemented intentionally in a top-down process.

In response, the last 15 years has seen the rise of a body of studies under the label of Strategy-as-Practice (SAP) which focus on the micro daily activities that constitute the doing of strategy, considering strategy as a social practice. The rapid growth of SAP research's concepts in strategic management, organization, management and, recently, accounting studies has arisen from an increasing dissatisfaction with mainstream strategy research and its scarce attention on living beings "whose emotions, motivations and actions shape strategy" (Jarzabkowski & Spee, 2009, p. 70). The SAP perspective has highlighted the need to bring human

actors and their interactions to the centre stage of strategy research (Whittington et al., 2002) and have begun to focus on the actions and interactions of the actors involved in strategy making, in order to understand the embedded nature of human agency in the construction and enactment of strategy (Vaara & Whittington, 2012).

SAP research may thus be seen as part of a broader attempt to 'humanize' management and organization research (Whittington, Pettigrew, & Thomas, 2001; Weick, 1979). Hence, the word "practice" in Strategy-as-Practice carries with it a double meaning: it signals both an attempt to make strategy research more relevant for practitioners and a commitment to sociological theories of practice.

According to the SAP perspective, strategy is seen not as something that organizations *have*, but as something that individuals in organizations *do* (Jarzabkowski et al., 2007; Whittington, 2003, 2006), thus shifting the focus to the notion of *strategizing*, which is broadly understood as the doing of strategy (Johnson et al., 2003). Notably, Jarzabkowski et al. (2007, p. 7-8) refers to strategy as "a situated, socially accomplished activity" and to strategizing as "those actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing that activity". This notion evokes that agents enact strategy through their daily micro-activities (Jarzabkowski et al., 2007; Johnson et al., 2003; Whittington, 2003, 2006) and treats strategizing as a complex combination of practices, activities and the actors who perform them.

In order to operationalize the definition of strategizing empirically, the SAP research has proposed a conceptual framework according to which strategizing occurs at the nexus between praxis, practices and practitioners (e.g. Jarzabkowski et al., 2007; Jarzabkowski & Spee, 2009; Whittington, 2006; Vaara & Whittington, 2012). This framework helps to clarify the key themes underlying the SAP agenda and how they may be studied empirically (Fig. 1.1).

Fig. 1.1 – SAP framework

Source: Elaboration from Jarzabkowski et al., 2007; Jarzabkowski & Spee, 2009; Whittington, 2006; Vaara & Whittington, 2012.

Strategy praxis refer to all formal or informal actual activities through which strategy is accomplished over time (e.g. activities realised during strategy meetings,

presentations, strategic talks, strategic planning etc.). Praxis typically take place within more or less extended episodes or sequences of episodes (Hendry & Seidl, 2003) such as board meetings, consulting interventions, team briefings, presentations, projects, and simple talks (Mezias, Grinyer, & Guth, 2001; Westley, 1990). Thus, the domain of praxis is wide, including the formal and the informal, the routine and the non-routine, activities at the corporate centre level and activities at the organizational periphery level (Johnson & Huff, 1998; Regnér, 2003). In this regard, drawing upon Reckwitz (2002) and Sztompka (1991), Jarzabkowski et al. (2007) define praxis as a flow of activities that interconnects the actions of individuals with the wider institutions within which individuals act and to which they contribute[4]. They explain that this definition is important as it indicates that praxis is a concept that may be operationalized at more than one level, from the institutional to the micro, and also dynamic, because it can shift fluidly through the interactions between levels.

Strategy practice is an essential element of the SAP framework. However, identifying a unique definition of practice is a challenging task, given the different nuances hat the term practice can have. Moreover, another problem is that the concept of practice is deeply entangled with the concept of activity. Practices refer

[4] This definition is underpinned by Sztompka's (1991, p. 96) proposition that "Praxis is where operation and action meet, a dialectic synthesis of what is going on in a society and what people are doing".

to the various tools, norms, and procedures through which strategy work is done. Notably, strategy praxis are drawn upon strategy practices which Whittington (2006, p. 19) defines as "shared routines of behaviour, including traditions, norms and procedures for thinking, acting and using things". Thus, practices refer to both shared routines that shape modes of strategizing (e.g. strategy workshops, strategic planning) and management tools and techniques through which activities are constructed (e.g. scenario planning etc. – see Jarzabkowski, 2004). SAP scholars have addressed a wide range of practices, for example strategic planning routines such as strategy workshops, various kinds of analytical framework such as Porter's five forces model, socio-material practices and discursive practices.

As well as praxis, strategy practices can be operationalized at more than one level (Klein, Tosi & Cannella, 1999). On a level, practices might be organization specific, embodied in the routines and procedures of a particular organization that shapes modes of strategizing (Martin, 2002; Nelson & Winter, 1982). On another level, strategy practices can reside also at an extra organizational level, deriving from the wider social context in which an organization exists (i.e. sectoral practices). Moreover, there are strategy practices at a societal level, that means practices that include specific ways of doing strategy, strategy techniques and routine for strategizing that diffuse across nations and whole societies (Barry & Elmes 1997).

Finally, moving to the third element of the framework, SAP research considers strategy as something that individuals in organisations do, providing an important focus on strategy practitioners. In this sense, the SAP perspective aims to make strategy research more relevant for practitioners and expresses the need to refocus on human agency.

Mainstream strategy research has focused on entrepreneurs and top management as strategists (Grant & Spender, 1996) scarcely addressing the role of other employees. This approach views strategy as a top-down process, where the strategy formulation is separated from implementation. Particularly, the former activity is considered a prerogative of the entrepreneur and the top management and the latter is in the hands of middle and lower-level managers. In this regard, the SAP literature offers a broader definition of who might be considered a strategy practitioner. According to Whittington (2006, p. 619) strategy practitioners "are those who do the work of making, shaping and executing strategies". They are the actors who are involved, or trying to affect, strategy making (Vaara & Whittington, 2012). Beyond entrepreneurs or senior managers who are typically engaged in strategy work (Grant & Spender, 1996), SAP researchers have extended their focus on the role of middle managers (Rouleau & Balogun, 2011) and frontline workers (Balogun, Best, & Lê, 2015) who help perform strategy through their everyday activities, and external agents (Clark, 2004) such as consultants. In addition, according to Jarzabkowski et al. (2007, p. 10) - since practitioners are not simply

individuals but human beings - practitioners shape activity through "*who* they are, *how* they act and *what* practices they draw upon in that action". Thus, how strategy is defined is affected by the identity of individuals because who a person is it is interconnected with how that person acts (Beech & Johnson, 2005; MacIntosh & Beech, 2011).

It has been argued that these three concepts (i.e. praxis, practices and practitioners) are closely interlinked (Jarzabkowski et al., 2007; Jarzabkowski & Spee, 2009; Vaara & Whittington, 2012; Whittington, 2006). First, praxis and practices are mutually constitutive, revealing the performative role of practices (Vaara & Whittington, 2012). Second, practitioners are interrelated with praxis and practices. Indeed, what practitioners actually do is strategy praxis and, in their praxis, they draw on strategy practices. Practitioners shape strategic activity through their identities, actions and interactions and through the practices they draw upon in these actions (Jarzabkowski et al., 2007). At the same time, strategy practices often enable or constrain practitioners by, for instance, promoting experimentation and openness (Giraudeau, 2008) and fostering sense-making about uncertainties (Jarzabkowski & Kaplan, 2015). These studies suggest that strategy work is brought into being through multiple individuals who experience different ways of making strategy within a context of mutual connection between their actions and relations. Practitioners are also seen as carriers of practices since they

may be "central in reproducing, transferring and occasionally innovating strategy practices" (Whittington, 2006, p. 625).

1.4.2 The call for studying the relationship between accounting and strategizing

One of the first accounting paper introducing the concept of strategizing in the accounting literature was Chua's (2007) review paper. In this paper Chua (2007, p. 493) addresses the practice turn in accounting and acknowledges that accounting is a practical activity which "surfaces in talk and formal reports generated by human actors and expensive enterprise resource planning systems on a regular basis", that cannot be completely understood by positivistic lens and through deterministic quantitative models. Thus, she encourages to study accounting as a socially situated practice. In order to explore accounting "in practice" (Chua, 2007, p. 490) the author suggests connecting accounting with another strand of research, that is corporate strategy, questioning what it means to talk about the formulation and implementation of strategy via the use of accounting.

Particularly, she encourages to "rediscover accounting and strategy as contingent lived verbs rather than abstract nouns" (Chua, 2007, p. 493). Indeed, she makes a call to study accounting as a practical activity and strategy as a verb (i.e. to strategise) and talks about strategizing instead of strategy. This suggestion does not represent an invitation for a simply grammatical shift when studying accounting

and strategy, but a call for a more practice-oriented research design on the enacting of accounting and strategy (Chua, 2007).

Another call to study accounting and strategizing is contained in Boedker's (2010) paper. Boedker (2010) calls for more studies using a performative lens into accounting-strategy research. The performative approach to strategy considers strategy as a social practice: strategy is emergent, constantly changing and performing by many actors from top management to employees at lower levels. The relationship between accounting and strategizing is not univocal and linear but is constantly in evolution, defined and redefined in the making, with sometimes unexpected effects. Accounting is seen both as an input and as an output of strategy. Thus, accounting appears as a catalyst of expansion and transformation.

Boedker (2010) calls for studying the interplay between accounting and strategizing in order to challenge the ostensive approach of mainstream accounting-strategy research. Particularly, it seems urgent to challenge the stability and predictability of social life where strategy remains immutable and stable as it passed through the hands of many actors during its implementation. In this context, accounting is a static concept too and it assumes a subordinate role to strategy: its main aim is to ensure the correct implementation of strategy and specially to control and monitor effective implementation of predefined intents. This limits accounting to be a passive tool to assist managers' decision making and to be exclusively an output of strategy.

Both Chua's call to unpack "black boxes" and abstract nouns, such as strategy and accounting, and Boedker's call to use performative lens in exploring the interplay between accounting and strategy, encouraged a more detailed investigation of the accounting-strategy relationship, examining the daily routines and micro-level practices of strategy makers inside organizations to grant insights into the complex and unintended aspects of strategy making via accounting.

1.5 Accounting and strategizing studies

From Chua's (2007) call, the concept of strategizing (usually imported from SAP's studies) started to be incorporated in the accounting literature. In recent years, the concern about the relationship between accounting and strategizing has gained increasing interest among accounting research (e.g. Ahrens & Chapman, 2007; Begkos et al., 2019; Cuganesan, Dunford & Palmer, 2012; Englund et al., 2017; Hoskin & Fradsen, 2010; Skærbæk & Tryggestad, 2010). Notably, accounting scholars have devoted attention to the constitutive role of accounting in strategizing processes. Specifically, previous studies have primarily shown that accounting can shape the strategizing process by supporting or hindering the process itself (sub-section 1.4.1) in multiple strategic situations such as in the formulation and reformulation of strategy. Furthermore, they have highlighted the role of accounting in shaping strategizing agency (sub-section 1.4.2) by framing the

identity of key strategic actors or providing actors with the power to act in adopting, translating or enacting strategy.

These studies have sought to improve some simplifications of the previous accounting-strategy research, according to which, as stated above, accounting is subordinated to strategy and its main purpose is to assist the effective implementation of predefined objectives. Moreover, they have attempted to unpack the black box of strategy by studying accounting and strategizing as practical activities.

In order to present the most relevant contributions on the relationships between accounting and strategizing, a traditional literature review was conducted. In the first step of the research, databases were selected and keywords identified in order to collect the material. To identify and cover a wide range of research, this review included the following major internet-based research databases that comprise management related journals: Google Scholar, Scopus, Web of Science, EBSCOhost. In searching accounting and strategizing studies, the focus was on accounting peer-reviewed journals such as Accounting, Organizations and Society, Critical Perspectives on Accounting, Management Accounting Research, Accounting, Auditing and Accountability Journal and European Accounting Review, amongst others.

Then, the keywords relevant for the research were identified by browsing key contributions on subject. They were used to construct a search string applied to

“titles, abstract and keywords” in databases previously selected. The search string consisted of two parts, the first describing the area of accounting and the second describing the strategizing field. Thus, the string comprehended keywords related to both the accounting field and the strategizing one. The research string identified was the following: “strategizing” OR “strategising” OR “strategy work” (since in strategy literature strategy work is used as a synonym of strategizing) AND “accounting” OR “accounting information” OR “accounting tools” OR “accounting practices”. According to the characteristic of each database, the search string was adapted and modified since each database work with different syntax. All publications were listed highlighting basic information like authors, title, year of publication, and specific information like methods etc.

In this literature review, to accomplish an exhaustive search and to collect the most relevant studies on the topic, as accounting and strategizing is an emerging research field, it was not excluded any journal, languages and search disciplines a priori. The search was not limited to journal articles; it was not excluded books, book chapters, working papers, articles in press and it was not defined a specific time framing. Finally, the literature review sections of recent papers (e.g. Begkos et al., 2019; Englund et al., 2017) were consulted to develop a general understanding of the topic of research and to orientate through seminal concepts, works and authors.

1.5.1 The role of accounting in shaping the strategizing process

A growing number of studies have investigated the role of accounting within the strategizing processes (e.g. Ahrens & Chapman, 2005, 2007; Carlsson-Wall, Kraus, & Lind, 2015; Hoskin & Fradsen, 2010; Jørgensen & Messner, 2010; Miller & O'Leary, 2005; Sajasalo, Auvinen, Takala, Järvenpää, & Sintonen, 2016). According to this body of literature, accounting - in the form of accounting devices (Hansen & Mouritsen, 2005; Skærbæk & Tryggestad, 2010), accounting information (Ahrens & Chapman 2005, 2007; Jørgensen & Messner, 2010), accounting discourses (Ezzamel & Willmott, 2008; Fauré & Rouleau, 2011), accounting practices (Begkos et al., 2019; Hutaibat, 2019) – affects the strategizing process by supporting or hindering the strategizing process itself.

For instance, Jørgensen and Messner (2010), adopt a practice approach based on Schatzki (1996, 2002, 2005) to study the relationship between accounting and the continuous process of strategizing in the new product development (NPD) context. In particular, the authors focus on specific NPD projects within an R&D intensive manufacturing company and on the related NPD practices. They adopt a concept of strategizing as "enactment of strategic *objectives*" (Jørgensen & Messner, 2010, p. 185), hence they investigate the way in which decisions concerning NPD projects are made. The authors find that accounting calculations (i.e. profitability calculations) inform continuously strategizing processes in the form of general understanding and specific rules. On the one side, the concern with

profitability provided a general understanding according to which each strategic objective had to be negotiated. On the other side, accounting information acted as specific rules that top management can enact at certain moment. By establishing common evaluative criteria, such as profitability, accounting information creates a space for discussion and helps resolve conflicts and mediate between different interests. In summary, accounting information guides actors' strategizing efforts reminding them that such efforts must have a financial pay off.

Along these lines, Cuganesan et al. (2012) investigate the active role of management accounting controls within particular organizational practices (i.e. planning, resource allocation and monitoring and control) through which strategizing occurs. Building upon insights from strategic management accounting literature and strategy as practice studies (Jarzabkowski & Spee, 2009; Jørgensen & Messner, 2010) the authors analyse the implementation of a new strategy that a public law enforcement agency adopted to face particular organisational challenges and how the organisational practices were reshaped to ensure the enacting of the new strategy. In planning practices the spreadsheet labelled Agency's Output Resource Estimate - that represented in quantitative and cost terms the human resources of the organisation - provided a shared understanding among actors of what was possible in terms of activity, given the employees' costs and capacity. This finding is consistent with Jørgensen and Messner (2010). However, in the case of Jørgensen and Messner (2010) the shared understanding was on outcomes

instead of possibility and capacity and it was provided by concerns with profitability instead of costs. Moreover, while the shared understanding in Jørgensen and Messner (2010) occurs through a continuous "flow" of strategizing, Cuganesan et al. (2012) observe that it was the executive management who actively mobilised management accounting –through the development of the spreadsheet and other management accounting tools – to represent their strategic concerns into planning practice. Hence, the authors recognize the constitutive effect both of management accounting and practitioners in strategizing. Furthermore, Cuganesan et al. (2012) observe that management accounting can help mediate between different views and interests in a public-sector context characterized by strategic ambiguity. Furthermore, they add to Miller and O'Leary (2007) notion of accounting as mediator between different interests and facilitator of goal congruence, by demonstrating that management accounting can also lead to the diversification of interests and to conflicting strategizing situations that require mediation. Also, the authors suggest that management accounting (in the vest of performance measurement) in monitoring and controlling practices enabled strategic concerns to be quantified and objectified through trust in numbers (Power, 2004). Finally, Cuganesan et al. (2012) find that forms of accounting like spreadsheets and value chain costing worked in the resource allocation practices shifting strategizing concerns from issues related to resource consumption to how value was generated through operations. Thus, management accounting does not

only influence and facilitate strategic decision making but it plays an active role in reshaping strategy practices.

Kornberger and Carter (2010) highlight the role of accounting in shaping strategizing in cities by creating city league tables. The authors start from the assumption that the precondition of strategy is competition, but in order to make competition possible, cities need to be positioned on the same playing field. League tables as a form of calculative practice allow competition between cities because they create a common playing field in which cities are ranked and compared and where consequently can compete each other, bringing out the need for strategizing. Indeed, once competition is established strategizing emerges as a set of solutions to face the new competitive arena in order to master competition itself. In their words "strategizing follows accounting" (p. 344).

In a similar vein, Brorström (2017) shows how accounting numbers are used in forming a city strategy. However, differently from Kornberger and Carter (2010) accounting numbers - such as traffic forecasts - were not only used to make decisions but also to avoid making decisions. Furthermore, accounting numbers helped reinforce some issues and weaken others, in other words it can emphasize and de-emphasize issues addressed within a city strategy. Moreover, differently from Jørgensen and Messner (2010), the author shows how accounting numbers can be used to split interpretations instead of creating shared meanings.

More recently, Begkos et al. (2019) have studied the ways in which accounting is implicated in the unfolding of strategizing within a pluralistic domain. The authors adopt a notion of strategizing as a "purposive, non-deliberate practical coping mechanism triggered by a problem" (p. 1272) to study how clinical directors use accounting to strategize in four English hospitals. The authors find that the mode of engagement with accounting practices (contesting, conforming or circumventing) in response to financial problems makes actors' strategic intent manifest and visible. In this sense, the engagement with accounting triggers the immanent and internalised clinical director's predisposition to act strategically in addressing financial problems and constitutes an obligatory passage point to pursue strategic intent. Specifically, the authors provide some narratives of strategizing. In the first narrative, the protagonist's strategic intent came to the fore through contestations around bad debt performance which created the basis for negotiations with the Finance department. This finding is consistent with Samra-Fredericks (2003) who affirms that strategizing becomes evident through talk-in-interaction, that means through "negotiating, contesting, evaluating, blaming etc." (p. 167). In another narrative, the clinical director's strategic intent became evident through engaging with Finance and using the accounting indicator of patient-level costs in the business case. In this way, accounting resolved conflicts, enabled the reconciliation of different views and provided a shared understanding between the

clinical director and senior management (Cuganesan et al., 2012; Miller & O'Leary, 2007).

These findings shed light also on the power of numbers in strategizing: in a case the protagonist contested financial rules that led to bad debt performance with verbal negotiations around numbers against Finance function, while in the other case the actor strategizes in order to face financial problems through the construction of a number-based business case. However, only the latter resolved his financial problems. These findings are consistent with earlier studies which argued that within strategizing processes numbers are more powerful than words (Denis, Langley & Rouleau, 2006; Whittle & Mueller, 2010).

Through a field study of a British restaurant chain, Ahrens and Chapman (2005) show the enactment of strategy at an operational level via the use of management accounting systems and management accounting information. They ground their study on practice theory (Schatzki et al., 2001) in order to understand the strategic potential of management control systems (MCS). The authors make this choice because a practice perspective, with its focus on human action, might help "to foreground the roles of individual organizational members in the context of the webs of organizational routines, none of which can typically pre-empt strategic choice" (Ahrens & Chapman, 2005, p. 107). They focus on the daily use of MCS like the performance measurement system and the use of non-financial information for the enactment of a growth strategy through the management of

customer relationship both in the centre head office of the restaurant chain and in the local restaurants. The purpose of knowing better customers' preferences and the way of satisfying specific costumers' needs was achieved in several ways. Firstly, via segmentation of customers into groups with specific consumption profiles for whom particular solutions such as specific offerings, incentives and membership cards were provided to increase customer spending. The measurement of spending increase through performance indicators such as *repeat custom* and *spending per visit* allowed to refine the costumers' profiles themselves. Secondly, through the activity of Marketing Department that sought to achieve a growth strategy. In this sense, marketing analysts and operations staff drawn on MCS in order to stimulate strategically informed behaviours in local units.

MCS and management control information informed various processes of strategizing because, in achieving the strategic tasks of costumer selection or of the active shaping of their preferences or in identifying what customers want, marketing staff and managers from the operations used performance information to "draw together diverse facts, aspirations, and routine actions in the construction of company's strategy" (Ahrens & Chapman, 2005, p. 120). Definitively, the crafting of strategy may benefit from MCS by promoting the understanding of financial implications of strategic choices. Finally, MCS measuring small achievable steps in the pursuing of the strategic agenda of the organisational centre gave the local managers the sense of their contribution to the organizational strategy of growth.

For Hutaibat (2019), accounting practices in the form of budgeting process, strategic planning, customer accounting only support nor perform strategizing because strategic decision-making is based on the most influential players in the sector. Furthermore, the author engages in Whittington's (1996) twofold nature of strategizing of grand planning and daily routines. Hence, the author finds that individuals engage in strategizing both deliberately and unconsciously. Individuals engage deliberately in strategizing through strategic planning and decision making. Deliberate strategizing is accompanied by the use of formal accounting practices with strategic intent, such as budgeting and other management control systems. Individuals strategize unconsciously instead when dealing acting and reacting in the field; in this case they use quick and short financial calculations, such as forecasting expected earnings and comparing to expenditures.

Some authors have focused the attention on the role of discussions around numbers in shaping strategizing processes (Begkos et al., 2019; Fauré & Rouleau, 2011; Whittle & Mueller, 2010). For example, Fauré and Rouleau (2011) draw insights from Ahrens and Chapman's (2007) notion of "situated functionality of numbers"[5] to show how management accountants and middle managers of a construction company perform their strategic competences through discussions

[5] The concept of situated functionality refers to "the ways in which specific organisational members sought to use accounting to achieve, if not grand strategic missions, at least specific subsets of organisational objectives" in local contexts (Ahrens & Chapman, 2007, p. 4).

around numbers during the budgeting process. In particular, they show that management accountant and middle managers perform their strategic competences through three micro practices of calculation in discussions during budgeting process: invoking the usefulness of numbers to enable local projects; constructing the acceptability of numbers to report them to external stakeholders; constructing the plausibility of numbers to reconcile local and global needs. The authors reach the conclusion that "talk is action" (p. 179) and that strategizing is performed through discussions around numbers.

Likewise, Ezzamel and Willmott (2008) employ a Foucauldian approach to investigate how accounting numbers and calculations can have a strategic role through actors' discourses, ultimately affecting the organization's strategy. The actors engaged in strategizing discourses that gave them the power and knowledge to contest an imposed strategy through "slowing down tactics, being less cooperative, and being resentful" (Ezzamel & Willmott, 2008, p. 208).

By drawing on the concept of strategizing a growing number of studies has shown that accounting can assume an active role in shaping strategy formulation and reformulation. For instance, Skærbæk and Tryggestad (2010) examine the case of a ferry company from a longitudinal perspective to study how accounting devices are implicated in shaping strategic options and decisions over time. They investigate how the managers of a ferry company faced the problem of the construction of new bridges that threatened the future of the company itself and

how they faced the choice between two different strategic options: the passive option that involved the downsizing of its activities and the possible liquidation, and the active option based on the reinvestment of profit to expand by buying new ferries and creating new routes and by the creation of a limited liability company. They found that several accounting devices[6] including laboratory simulations, cash flow scenarios, the corporate balance sheet, the government budget triggered the process of strategy formulation and led to the reformulation and negotiation of the two strategic options over a period of several years. For example, the payback device took certain strategic options off the agenda, for instance by preventing investment in ferry operations. Similarly, the balance sheet and the government budget participate in the negotiation of the strategic options in favour of a capital investment program. In their words: "accounting devices become strategic in a role of (re)formulating strategic ends and rationales, rather than being limited to implementation" (p. 121). Accordingly, accounting devices play a role in adopting and adapting strategy.

In a similar vein, Whittle and Mueller (2010), pay attention to the constitutive power of accounting in shaping the company strategic agenda. However, they focus on power and on the political dimension of strategy making.

[6] Latour (1987, p. 68) refers to inscription device as "any set-up, no matter what size, nature and cost, that provide a visual display of any sort". Accounting devices are accounting visualizations such as budgets or balance sheets (Skærbæk & Tryggestad, 2010).

Drawing upon Actor Network Theory and SAP studies, the authors explore the role of management accounting systems in the formulation of corporate strategy. Particularly, they study consultants' strategizing discourses in a private company in order to understand the role of management accounting systems in determining the success or failure of strategic ideas. They build on the assumption that what can be considered as strategic is the results of power struggles and political battles rather than the outcome of a neutral and technical process of deciding the business strategy on the basis of the considerations upon the external context and the internal competences of an organization (Carter & Mueller, 2006; Kornberger & Carter, 2010). The authors argue that accounting can be a central actor in these power struggles and micro-political tactics that occur during the process of strategizing, since they consider management accounting system not as a neutral tool used for observing and representing reality but as a social and political practice that can create and shape reality.

The authors find that the management accounting system acted as an obligatory passage point (Callon, 1986) in defining the "added value" of ideas and consequently in the development of the strategic agenda. In their case, consultants proposed a new marketing strategy, but the management accounting system provoked the failure of their idea because the performance of the consultants' unit was measured on the basis of consulting income against costs rather than on the basis of products and services sold thanks to the consulting activities, giving the

consultants' unit the status of "unprofitable unit". In other words, the way of measure consulting activity (i.e. income against cost) made consultants a cost covering rather than profit generating unit. In response, consultants employed several political tactics "to work with, against and around the accounting network" (Whittle & Mueller, 2010, p. 636), such as games of rhetoric and persuasion or other "creative" solutions to improve their balance sheet and contested the faithful and the capacity of the management accounting regime to measure the value of their performance and of their idea. In this way, accounting systems act to develop the strategic agenda by establishing what is profitable and what is costly (Ahrens & Mollona, 2007). To consultants, the management accounting system was seen as an unfair system for measuring the contribution of their unit, to the other managers it was a faithful picture of value-adding activity. Therefore, similarly to Mouritsen (1999) the authors find that management accounting systems "do not speak a single truth" and the numbers they provide are interpreted differently by different actors (Whittle & Mueller, 2010, p. 641)[7]. Differently from Skærbæk and Tryggestad (2010), Whittle and Mueller (2010) emphasise the constraining role of accounting in the formulation and reformulation of strategy since accounting is considered an obligatory passage point (Callon, 1986) that keep off the strategic agenda specific strategic ideas.

[7] Consultants questioned the role of MAS as "neutral arbiter of organizational truth" (Roberts, 1991, p. 355).

More recently Ozdil and Hoque (2019) add to previous studies on the performative role of accounting for the reformulation of strategy. Drawing on the McKenzie's (2006) notion of engine, the authors demonstrate that accounting can lead to strategic redevelopment and change in a university setting. The accounting numbers (derived from multiple calculative practices such as benchmarking, trend analysis etc.) generated alarming signals on the financial performance of the university and consequently pushed the organizational leaders to the rejection of the existing strategic plan and the redevelopment of new strategies for the next years. However, accounting numbers and the derived knowledge not only act as an "upstream fuel" of the engine that led to the re-creation of a new strategic plan but acted also as "downstream fuel" in the shaping of its contents and structure through the setting of goals, measures and targets in financial and quantified terms.

Along these lines, recently Tekathen et al. (2019) shed light on the active participation of management controls in strategizing processes and, specifically, on the active role of management controls in organizations' strategizing in a context characterized by continuous changes of external forces. The authors start from an assumption regarding the concepts of strategy and strategizing: strategies are not only the end, in the form of outcome, of the decision-making process but can be understood also as new starting points that lead to future actions and decisions. In this sense, strategies are seen as promises (Mouritsen & Kreiner, 2016) and consequently strategizing can be conceived as an ongoing "process of repromising",

which means of making and remaking promises. According to Mouritsen and Kreiner's (2016) framework, the process of repromising requires memory, forgetfulness and forgiving. In the case study analysed, multiple management controls (i.e. capital budgeting calculations and analysis, benchmark analysis, sustainability framework) facilitate these promises construction and reconstruction - and so strategizing - through "enabling senior managers, board members and operational staff to memorise, forget and forgive promises made" (p. 1). This was accomplished through "developing and solidifying new promises" (p. 3) by smoothing possible tensions between what to remember and what to forget, as well as entailing bridging work to connect old with new promises facilitating forgiveness among the different actors involved.

In summary, the papers analysed in this sub-section highlighted the role that accounting plays in strategizing processes focusing on the crafting and enacting of specific strategic initiatives and decision-making process on a day to day basis. Specifically, these studies have shown how accounting may support or hinder the strategizing process in several ways as summarized below.

Accounting numbers might support strategizing by supporting the negotiation between different strategic objectives, through the creation of a general understanding (i.e. concerning profitability or cost) which guide actors' strategizing efforts (Cuganesan et al., 2012; Jorgensen & Messner, 2010; Kornberger & Carter, 2010). Hence, accounting information, by creating a shared understanding among

actors, is used as a sense-making mechanism which helps managers navigate through uncertain situations and different strategic actions and choices.

Furthermore, when different management levels interact, accounting information is often significant in enabling the resolution of potential disagreements and in trying to accommodate different views because it introduces common criteria for the evaluation of strategic initiatives, they provide a space that allows workable compromises to be developed (Ahrens & Chapman, 2005; Begkos et al., 2019; Denis et al., 2006; Miller & O'Leary, 2007). Then, accounting supports strategizing by leading to the reformulation of strategic options (Skaerbaek & Tryggestad, 2010) i.e. by generating alarming signals (Hutaibat, 2019). Accounting might enable strategizing by making actors' strategic intent manifest and visible (Begkos et al., 2019; Hutaibat, 2019) or through discussions around numbers (Ezzamel & Willmott, 2008; Fauré & Rouleau, 2011).

However, some studies have demonstrated also that accounting may hinder strategizing processes. Accounting numbers can be used to split interpretations in order to avoid making decisions (Brorström, 2017) or as an obligatory passage point that keeps off the strategic agenda specific strategic ideas (Whittle & Mueller, 2010).

1.5.2 The role of accounting in framing strategizing agency

Some studies have stressed the importance of accounting in framing the role of key strategic actors (e.g. Carlsson-Wall et al., 2015; Ozdil & Hoque., 2019; Skærbæk & Tryggestad, 2010). Specifically, unexpected key strategists (i.e. middle management, customers, consultants, lay people) may emerge through the use of accounting. In this regard, Skærbæk and Tryggestad (2010) reject the idea that the role of the key strategic actor is limited to the CEO and the top management team and that the rationale of accounting devices is informed by these actors (Abernethy & Brownell, 1999). Instead, accounting devices have the capacity to shape the identity of the key strategists and have the power to incite and inform the strategy work of lay people. In their case, they found that the key strategist was not the CEO nor the top management. They illustrated that lay people such as officers, captains and union representatives emerged unexpectedly as recipients of accounting information and as key strategist when they reacted to top management's view on strategy. They find that the power of making and transforming strategy is dispersed among a multitude of actors. So, the location and rationale of the key strategic actors seems to overcome the formal hierarchical boundaries because a strategy makers or transformer may appear unexpectedly from outside the strategic centre. In this way, they show the local and temporal nature of strategy centre that may be populated

also by lay people who act as "accountant in the wild"[8]. In their case, this group of people outside the accounting department problematized the management accountants' calculations and developed new calculations to re-direct the company strategy. These findings resonate with MacIntosh and Beech (2011), according to which the identity of a strategist is complex and not easily recognizable, since the attributes of a strategist's identity are usually shaped by dialogue and are linked to a specific social setting.

The importance of unexpected key strategists that may emerge through the use of accounting artefacts and information is supported by other studies (Ahrens & Chapman, 2005; Whittle & Mueller, 2010). For example, Ahrens & Chapman (2005) stress the importance of local restaurant managers' use of financial and non-financial information for the company strategic development. In Skærbæk and Tryggestad (2010), strategists, in the form of "emerging concerned group" (p. 111), come from the periphery of a strategic centre thanks to the use of particular accounting devices. Also in Whittle and Mueller (2010), strategists (or who seek to be a strategist) come from the periphery, but in contrast these "strategist in the wild" are destined to remain only "aspirant" strategists because management accounting system takes off their idea from the strategic agenda. In the specific case,

[8] Skærbæk and Tryggestad (2010), with the expression "accountant in the wild" paraphrase the Callon and Muniesa's (2005) concept of "economist in the wild". By this term they refer "to the people outside the formal accounting department and strategic centre that problematized the calculations of the latter" (Skærbæk and Tryggestad, 2010, p. 118).

consultants' ideas failed to pass the obligatory passage point of management accounting and consultants failed to establish their own obligatory passage point, because numbers were more powerful than words in setting the strategic agenda of the firm.

These findings are in line with a literature that increasingly draws attention to external actors who are outside or at the periphery of the formal structure of the organization but shape its strategy indirectly, such as non-executive directors (McNulty & Pettigrew, 1999) or consultants (Clark, 2004).

In this context, accountants and management accountants are seen as the principle preparers of accounting information (Jørgensen & Messner, 2010; Skærbæk & Tryggestad, 2010), however they are challenged by other groups. In Jørgensen and Messner (2010) it was the project manager who presented the accounting numbers and explain the assumptions behind them to the top management. Also, Carlsson-Wall et al. (2015) illustrate that important strategists involved in strategic management accounting come from even outside the company such as purchasers and engineers.

In addition to shape the role of key strategic actors, accounting has also an important role in providing people with the power to act (Begkos et al., 2019; Brorström, 2017; Whittle & Mueller, 2010). For instance, Whittle and Mueller (2010) show that accounting provide organizational actors with the political power permitting them to employ political tactics to work with, without, around and even

against accounting. For example, the balance-sheet led the consultants to anxiety, worry and dissatisfaction and made them act and struggle to change the existing accounting regime in order to pursue their strategic initiative. In Brorström (2017) calculative practices and accounting numbers, such as forecasts on traffic flows, prompt people to act and react in order to question the strategy formulation process.

Drawing on these insights, recently Ozdil & Hoque (2019) have shown how through various calculative practices, accounting can make people act leading to the development of a strategic plan. They acknowledge that calculative practices, combined with people's agency, can lead to the reformulation of strategy in a public context such as universities. Moreover, the authors point out that the calculations and information on financial performance derived from multiple accounting devices, such as budgetary reports and trend analysis, are able to provoke people into strategic action only when convincing and accepted by decision makers.

The study of Begkos et al., (2019) also reveals the performative role of accounting in supporting strategizing agency. Indeed, accounting devices (e.g. business case), artefacts and "number systems" (Denis et al., 2006) such as patient-level costing systems provided the strategists with the power to steer their strategizing pathways (e.g. strategically contesting bad debt; conforming to capital investment rules and circumventing within transfer price charges. See also Ahrens & Chapman, 2007; Jørgensen & Messner, 2010; Nama & Lowe, 2014; Skærbæk &

Tryggestad, 2010). Hence, accounting devices and artefacts have the power to manifest strategic intent.

For Ahrens and Chapman (2005), the management control process, through the use of information for mapping organizational action as well as the dissemination of performance information, help the "distribution" of the cognitive process of strategy formation at an operational level. In the case analysed, strategy come into its own through the day to day actions of numerous individual managers like menu designers, restaurant managers and marketing managers demonstrating that operational managers do not simply implement senior management strategy making. In this sense, MCS helped operational managers in adopting, translating and devising new strategies "on the ground".

Most empirical studies in this field are concentrated on the role of accounting in making people act. Pfister et al. (2017) have shown how middle managers work with performance indicators to strategize the practice of Open Innovation (OI)[9]. They argue that performance indicators lead to action only if what is measured is mobilised, hence they demonstrate that the reasoning of middle managers might contribute to give performance measurement an active role in strategizing. Performance indicators are not directly a means that lead people to

[9] Open Innovation (OI) refers to a business practice by which a company "engage in economic exchange within and across its boundaries to create and capture value from technology for technology, and thereby intend to gain market opportunities and competitive advantage" (Pfister et al., 2017, p. 139).

action but a means to direct the attention of people which might eventually activate the organization (Catasús, Ersson, Gröjer, & Wallentin, 2007; Mouritsen, Hansen A., & Hansen C., 2009). In this case, middle managers employed performance indicators differently "to inform top managers and mobilise them towards an OI strategy; labelled here as abstaining, initiating, expanding, restructuring, and retaining reasoning" (Pfister et al., 2017, p. 147). While prior studies (Carlsson-Wall, et al., 2015; Jørgensen & Messner, 2010) established that middle managers are often involved in the development and/or usage of strategic accounting calculations, this study acknowledges their key role in strategizing because with their reasoning about performance indicators are able to strategize bottom-up within the organization.

Summarizing, accounting might play a twofold role in the strategizing agency field. Firstly, it participates in shaping strategic identities and rationales of key strategists who can emerge outside the strategic centre (Ahrens & Chapman, 2005; Carlsson- Wall et al., 2015; Skærbæk & Tryggestad, 2010), since unexpected key strategists (e.g. middle management, customers, consultants, lay people) may emerge through the use of accounting devices. Secondly, it helps perform strategy work because it has the power to make people act in devising, adopting, translating and enacting strategy (Begkos et al., 2019; Denis et al., 2006; Ozdil & Hoque, 2019). Following this interpretation, people are never alone "on stage" because their

actions are informed by diverse human and non human actors - including accounting artefacts - sometimes in an unanticipated way (Boedker, 2010).

1.6 The interplay between accounting and strategizing: research gaps and further directions

The literature review provided in the previous section allowed to gain insights on the topic under investigation in order to identify a categorization (i.e. sub-section 1.5.1 and sub-section 1.5.2) of the most relevant contributions that form the literature domain of this thesis. The literature review has shown that accounting and strategizing studies are seeking to open the black box labelled "strategy" by investigating the decision-making process in practice, via the use of accounting. Several scholars have highlighted which technologies are mobilized (i.e. budget, balance sheet, performance measurement systems etc.) and which accounting information are used (i.e. financial and non-financial information) to enable or hinder the enactment of strategy. Scholars have investigated also who are the human actors involved in strategizing thanks to the use of accounting tools and information. They have pointed out how the use of specific accounting devices, information and practices can shape the crafting of specific strategic initiatives.

The literature review has also revealed a clear theoretical focus used up to now to study the relationship between accounting and strategizing. In investigating how accounting might affect the strategizing process, scholars have extensively

built upon a practice theory perspective (e.g. Ahrens & Chapman, 2007; Englund et al., 2017; Jørgensen & Messner, 2010). Particularly, they have drawn on Schatzki (2001, 2002), Reckwitz (2002) or Giddens' (1979, 1984) contributions because they are considered helpful in explaining strategizing, which has been identified, in recent strategy research, as a concern with the way in which strategy is practiced in the day-to-day organizational life (Jarzabkowski et al., 2007; Vaara & Whittington, 2012).

Albeit with different perspectives and focus considered (on devices, processes, accounting in general), previous studies support the idea that accounting is constitutive of strategizing, for example creating a shared criterion for choosing between different strategic initiatives or options, instilling power and making people act, framing strategic actors' identity. In other words, the current literature has brought to the fore how accounting performs and gives life to strategy making.

However, by drawing on these studies two main research gaps have been identified. First, only a few numbers of studies have investigated the dynamic and changing relationship between accounting and strategizing through a longitudinal perspective (Skaerbaek & Tryggestad, 2010; Tekathen et al., 2019). Instead, most studies tend to regard accounting's role as unchanged during the strategizing process (e.g. Ozdil & Hoque, 2019; Whittle & Mueller, 2010) disregarding how this role may change or evolve.

Secondly, the extant literature is focused on a one-way relationship between accounting and strategizing, that means on how accounting performs and shapes strategy work. Indeed, while most studies have focused on the influence of accounting on strategizing, only few insights have been given on the mutual interplay between accounting and the doing of strategy. Some exceptions are provided by the studies below: Ahrens and Chapman (2007) show how restaurant managers of a British restaurant chain draw on and use accounting representations related to the menu design in the daily construction of the restaurant's strategy. Here, accounting representations related to the menu design influenced the menu in a constitutive fashion. Hence, accounting is both an input and an output of the configuration of strategy. For example, performance measures (known in the case study as the 13 Key Tasks) shape and are shaped by the enactment of strategy. For Jørgensen and Messner (2010, p. 184), strategizing in itself "may complement, or even replace, the reliance on accounting representations". Englund et al. (2017) build on Gidden's structuration theory and argue that "strategizing and accounting practices should not be seen as separate and largely independent organizational phenomena. On the contrary, they may well constitute one social practice, where strategic and accounting considerations feed and form each other in a recursive manner" (p. 13). Specifically, changing accounting practices such as the design of accounting measurements not only were a means for but also an outcome of strategy reorientation. The construction and revision of accounting measures and the related

critical reflections among actors led to the reconstruction of strategic objectives and vice-versa towards a standardization strategy. Accounting and strategizing cross-fertilize each other to produce "both social continuity and transformation" (Englund et al., 2017, p. 2).

Finally, although not focused on the interplay between accounting and strategizing, Hutaibat et al. (2011) highlight how strategizing mindset may affect the use and the perceptions on management accounting practices. In exploring strategic management accounting practices and processes and their meaning to institutional members in English university context, Hutaibat et al. (2011) find that strategizing mindset shapes participants' perceptions of management accounting practice.

Notwithstanding these fruitful insights, apart from the exceptions illustrated, an investigation on how the role of accounting may change or evolve in the strategizing process and a comprehension on how strategizing and accounting interplay and shape each other are still lacking. In order to fill these gaps and to address the call for studies on the mutual interplay between accounting and strategizing (Englund et al., 2017; Jørgensen & Messner, 2010) this thesis examines two research questions. The first is: what role can accounting take in the strategizing process and how may it evolve? The second research question is: how do accounting and strategizing mutually interplay in day-to-day organizational life?

In order to achieve the aim of the thesis, the following chapter will illustrate the theoretical lenses that will be used to make sense of the empirical evidence and answer the research questions identified.

CHAPTER 2

INTERPRETING ACCOUNTING AND STRATEGIZING THROUGH A SOCIO-SPATIAL PERSPECTIVE OF ORGANIZATIONS

2.1 Introduction to the chapter

The aim of this chapter is to illustrate the theoretical lens used to interpret the empirical evidence and analyse the relationship between accounting and strategizing. In recent years, there has been an increasing interest in space and spatiality in social and organizational sciences to the extent that scholars have spoken about a "spatial turn" (Taylor & Spicer, 2007, p. 341) in social sciences. Particularly, scholars have started to devote attention to the social dimension of space and have referred to the socio-spatial perspective as a "fascinating lens through which organizational life can be better understood" (Shortt, 2015, p. 634).

The socio-spatial view of organizations has been traced by a body of organizational studies (e.g. Beyes & Steyaert, 2011; Dale, 2005; Dale & Burrell, 2008; Louis & Diochon, 2018; Petani & Mengis, 2016; Taylor & Spicer, 2007; Tyler & Cohen, 2010) that have explored the concept of organizational space by

drawing inspiration principally from a socio-spatial perspective theorized by the French philosopher Henri Lefebvre (1991).

Accordingly, section 2.2 will outline the main characteristics of a socio-spatial view of organizations, illustrating the main frameworks (particularly Lefebvre, 1991) on which these studies have drawn upon. Then, an explanation of the connections between space and strategizing and between space and accounting research will follow. In detail, in section 2.3 it will be offered an overview of strategizing studies which have started to explore the spatial nature of strategizing (e.g. Hydle, 2015; Jarzabkowski et al., 2015). Next, in section 2.4 an explanation of the connections between space and accounting will be provided by building on studies which have investigated the performative effects of accounting in constituting space. Finally, by drawing on these insights, in section 2.5 it will be argued that a socio-spatial perspective of organizations should be incorporated into the accounting and strategizing literature in order to better understand the social spaces through which strategizing is produced and how accounting can affect and build such spaces.

2.2 Space in organizational research: a socio-spatial perspective of organizations

Over the years, the notion of space has received increasing attention in social sciences and has become a central analytical concept in organizational research

(Clegg & Kornberger, 2006; Hernes, 2004; Taylor & Spicer, 2007; Weinfurtner & Seidl, 2019). The considerable concern on space in social sciences for the study of organizations has even led to speak of a "spatial turn" (Taylor & Spicer, 2007, p. 341).

Until recent years, the analysis of space in organizational research has primarily focused on the physical description of space (Allen, 1977; Hatch, 1987; Oldham & Brass, 1979). According to Dale and Burrell (2008), these studies have tended to treat spaces as neutral settings and have provided an analysis of the organization concentrating on the arrangements of the built or on physical environment. Taylor and Spicer (2007) have argued that space has been presented as fixed and immobile, as something that remains stable and immutable over time (Taylor & Spicer, 2007). Particularly, much emphasis has been placed upon the investigation of designed spaces, applying a conception of space as limited and limiting (see Halford, 2004, for a critical review). Thus, until a few years ago, in organizational studies prevailed a sort of "spatial determinism" (Best & Hindmarsch, 2019, p. 250) according to which space is given and is considered as an "external, objective reality" (Dale & Burrell, 2008, p. 207) where people have little agency.

In this context, an increasing number of organizational scholars have begun to explore the significance of organizational space (e.g. Beyes & Steyaert, 2011; Clegg & Kornberger, 2006; Dale & Burrell, 2008; Kornberger & Clegg, 2003;

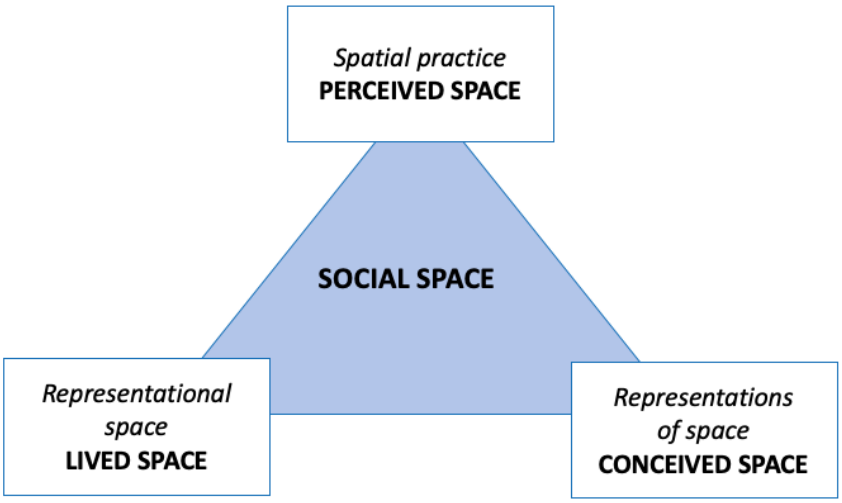
McNulty & Stewart, 2014; Munro & Jordan, 2013; Taylor & Spicer, 2007; Weinfurtner & Seidl, 2019) rejecting the Euclidean conception of space as empty, passive settings and "fixed, dead and immobile containers" (Taylor & Spicer, 2007, p. 325). In order to move beyond this approach, organizational researchers have started to explore the social dimension of space. Thus, in their attempts to supersede the Euclidean notion of space and to better conceptualize its social aspects, organizational scholars have drawn on the works of De Certeau (1984), Hamm (1990), Massey (2005) and others. However, the most frequently socio-spatial framework used is the well-known *spatial triad* formulated by the French philosopher Henri Lefebvre (1991).

In the following sub-sections (sub-section 2.1.1 and sub-section 2.1.2) an explanation of the main characteristics of a socio-spatial view of organizations is provided by illustrating the main frameworks on which these studies have drawn upon. As the most inspiring framework among organizational scholars to delve into the social production of organizational space, particular attention will be devoted to the Lefebvre's spatial triad (1991) and its translation into organizational studies (see Dale & Burrell, 2008; Louis & Diochon, 2018; Petani & Mengis, 2016; Tyler & Cohen, 2010; Wapshott & Mallett, 2012; Zhang, Spicer & Hancock, 2008).

2.2.1 Lefebvre's spatial triad and its adoption within organisational research

In his seminal work *The Production of Space* (1991) the French philosopher Henri Lefebvre proposes a spatial triad based on three interrelated dimensions of social space. Lefebvre argues that space (and spatiality) is first and foremost socially produced - and also produces social relations – and that spatiality results from the three main processes of *practising*, *planning* and *imagining*. These processes correspond and are explained through three main interrelated dimensions, respectively *perceived*, *conceived* and *lived* space (Fig. 2.1) that form a trialectic spatial framework (Soja, 1996) and contribute differently to the social production of space.

Fig. 2.1 Lefevbre's Spatial triad



Source: Elaboration of the author

Conceived space is understood as the *representation of space.* It is "the space of scientists, planners, urbanists, technocratic subdividers and social engineers" (Lefebvre, 1991, p. 38) who materialized representations of space through abstract conceptualizations such as blueprints, maps or plans. *Conceived space* is the "dominant space in any society" (Lefebvre, 1991, p. 39), thus it is a manifestation of power and political control. Within organizations, *conceived space* may consist, for instance, of structures and rules used to map the ordering of processes (Hernes, 2004). According to Dale and Burrell (2008), the role of planners and designer could be played also by managers.

Perceived space indicates the way space is routinely practiced and it is related to the everyday "*spatial practices*" (Lefebvre, 1991, p. 38) through which inhabitants or users materially transform the space they occupy (e.g. through practices of walking, moving, occupying and meeting). Lefebvre refers to *perceived space* both as the "production and reproduction, and the particular locations and spatial sets characteristic of each social formation" (Lefebvre, 1991, p. 33). Thus, *perceived space* is linked to the materiality of space, to its physicality.

The third dimension, the *lived* space (or *representational space*) is considered the central dimension of Lefebvre's spatial triad (Zhang, 2006). Indeed, in his critique of Descartes's dichotomy between *res extensa* and *res cogitans* (which correspond respectively to the materiality of space and abstract representations of space) Lefebvre adds the conception of *lived space* in order to better explain the dialectical and multidimensional nature of space (Petani & Mengis, 2016). *Lived space* is related to how the space is imagined by users "through its associated images and symbols", it is the space of "inhabitants and users" (Lefebvre, 1991, p. 39). *Lived space* refers to occupants' subjective spatial experience as it denotes a space which is experienced and imagined through the meanings and the symbols associated with it.

Through these three dimensions, the spatial triad distinct ontologically space as physical, social and mental. Furthermore, they "combine not necessarily as a

coherent whole but as the outcome of the dynamic process" (Tyler & Cohen, 2010, p. 181).

As aforementioned, the major part of studies dedicated to the spatial aspects of organizations has mainly been based on Lefebvre's (1991) spatial triad, translating his concepts to organizational research (e.g. Beyes & Stayaert, 2011; Dale, 2005; Dale & Burrell, 2008; De Vaujany & Vaast, 2013; Elden, 2004; Giovannoni & Quattrone, 2018; Hancock & Spicer, 2010; Hernes, 2004; Louis & Diochon, 2018; Petani & Mengis, 2016; Taylor & Spicer, 2007; Tyler & Cohen, 2010; Wapshott & Mallett, 2012; Zhang et al., 2008).

By drawing on Lefebvre's approach several authors have explored the spatial entanglement of both physical objects and social factors in organizational space (Dale, 2005; Mitev & de Vaujany, 2013; Tyler & Cohen, 2010; Wapshott & Mallet, 2012). Indeed, the spatial triad merges together the materiality of organizational space (e.g. where people, resources and tools are and how tools and resources are used) to the ways in which space is experienced and the social meanings given to it. According to these studies, space is not formed only by physical objects and artefacts but also by the subjective experience of its occupants (Dale, 2005). Along these lines, several organizational scholars have focused on the lived dimension of space (Beyes & Steyaert, 2012; Munro & Jordan, 2013; Watkins, 2005). For instance, some authors have engaged with the concept of lived space to understand how gender organizational power relations are spatially enacted

(Tyler & Cohen, 2010) or to investigate the embodied spatial practices through which people inhabit, experience and constitute his workplace (Best & Hindrmash, 2018).

Organizational scholars, adopting Lefebvre's spatial triad and particularly the distinction between dominated and appropriated space, have emphasized the relationship between space and power. Following these lines, scholars have studied workspace and working environment as the materialization of power relations and managerial control (Dale & Burrell, 2008; Kornberger & Clegg, 2004; Zhang & Spicer, 2014).

Furthermore, Beyes and Steyaert (2012) have provided a wider interpretation of Lefevbre's conception of space by emphasizing the processual, performative and open-ended nature of organizational space shifting to the notion of "spacing" (Beyes & Steyart, 2012, p. 47).

In conclusion, Lefebvre's concepts provide a rich "vocabulary through which interpret and understand spatial dynamics within and around the organization" (Taylor & Spicer, 2008, p. 335). The Lefebvrian multidimensional conception of space permit to illuminate the socio-materiality, the power relations and the subjective experience of organizational space by investigating simultaneously how space is planning, practicing and imagining (Taylor & Spicer, 2007).

2.2.2 Massey's view of space

Another work which is considered seminal for a socio-spatial understanding of organizations is Massey's (2005). Massey (2005) shares with Lefebvre the conception of space as socially produced but also adds some insights to Lefebvre's works building on a relational understanding of space. Massey (2005, p. 9) suggests that what has to be investigated is not the "spatial form" but the "relations through which space is constructed", since space does not exist a priori but is produced ex post through social relationships. Specifically, Massey (2005) develops three propositions (Fig 2.2):

1. *space is the product of interrelations*: space is conceptualized in terms of relationality since the interactions do not simply occur within space, but they constitute it;
2. *space is the sphere of multiplicity*: Massey (2005, p. 9) sees space as "the sphere in which distinct trajectories coexist" which is made out by interrelations between multiple heterogeneous entities. Space renders plurality possible. The presence of this heterogeneity and multiplicity can lead also to the unpredictable and to unplanned effects;
3. *space is always under construction*: due to the unfolding and processual nature of the materially embedded relations through which it is produced, space is "always under construction [...] It is never finished; never closed" (Massey, 2005, p. 11). Hence, it is the multitude of

heterogeneous entities which constitute space that makes it in a state of constant becoming (Thrift, 1996).

Fig 2.2 Massey's propositions

Source: Elaboration of the author

Following this view, space is not absolute, it is constantly made and remade as new actions and interactions between the multiple members of an organization unfold. This changing nature of space renders the production and reproduction of space unexpected and unforeseeable (McNulty & Stewart, 2015).

As argued by McNulty and Stewart (2015), for both Massey (2005) and Lefebvre (1991) social interactions produce boundaries around which new spaces are established. This implies that space and boundaries are "co-constitutive" (McNulty & Stewart, 2015, p. 516). Indeed, boundaries are a fundamental concept in defining a socio-spatial view of organization (Weinfurtner & Seidl, 2019) since

"space only makes sense in the presence of boundaries" (Hernes, 2004, p. 84). First, boundaries can be physical, mental or social. Second, boundaries can be distinguished in three ways in relation to the role played and the effects on space (Hernes, 2004):

1. *boundaries as ordering devices*: boundaries act as "tolerance limits" regulating action and interactions within space through the creation of stability of expectations. Namely, overcoming boundaries signifies violating, for instance, formal rules or social norms;
2. *boundaries as distinctions*: according to this view, boundaries mark distinctions between space and the surrounding environment, in this way they are "markers of identities" (Deprez & Tissen, 2009, p. 36);
3. *boundaries as thresholds*: boundaries are conceived as thresholds to import and export various kinds of resources (e.g. people, ideas, materials). Viewing boundaries as thresholds implies studying the degree of permeability and exchange of them.

Considering this categorization, in the realm of the socio-spatial organizational theory, boundaries are seen both as blocking and enabling mechanisms (Deprez & Tissen, 2009).

In conclusion, this section synthetizes the main concepts and assumptions of the socio-spatial perspective of organizations. It does not pretend to be

exhaustive of the main contributions around the topic, but it aims to be a guide of the conceptual categories used to interpret and make sense of the empirical evidence collected. Following sections will provide some insights on the relevance and the use of the concept of space within both strategizing and accounting research and will outline the reasons behind the choice of a socio-spatial viewpoint of organizations as a lens of investigation.

2.3 Towards the spatial nature of strategizing

Within strategizing literature scholars have addressed the concept of space. In detail, a stream of research has concentrated on the materiality of physical features, and environment and its implications on strategy making (e.g. Dameron, Lê & LeBaron, 2015; Hodgkinson & Wright, 2002; Jarzabkowski & Kaplan, 2015). These studies have treated space essentially as a background, referencing for instance to meetings rooms, office layouts, boardrooms and hallways (Jarzabkowski & Seidl, 2008; Johnson, Prashantham, Floyd, & Bourque, 2010) or to physical contextual features like material objects or artefacts (Jarzabkowski, Spee & Smets, 2013).

Recently, some authors have begun to study how the construction of spaces and strategizing are entwined. In this regard, Hydle (2015) extends previous research on space in relation to strategizing by combining the temporal-spatial dimension of human activity from practice theory (Schatzki, 2010, 2012) with the

SAP perspective (Chia & Holt, 2006; Chia & Rasche, 2010). Temporal and spatial dimensions as formulated in practice theory are employed to identify three patterns of everyday practices of strategizing within a company, labelled *structured timespace*, *supervised timespace* and *social timespace*[10]. Furthermore, the author argues that strategizing agency is highly distributed not only between multiple hierarchical levels but also across time and space. Regnér (2003, p. 66), in turn, highlights that emergent strategies, through explorative and externally oriented activities "including inductive reasoning or sense-making and efforts to generate and establish a new organizational knowledge structure", are developed generally at the periphery of an organization. Basing on these findings, the author explores the differences in spatial terms between strategy-making developed at the centre or at the periphery of an organization. Also, Cutcher (2009) shows how particular organizational phenomena can influence the construction or the transformation of an organizational space. In detail, organizational members can adopt different tactics in order to change an ordinary workplace into a "space of resistance" with the purpose of contesting a new sales strategy.

A seminal work for understanding the entwinement between space and strategizing is Jarzabkowski et al. (2015). The authors deepen the understanding of

[10] Hydle (2015) in her work provides a detailed description of how the three patterns of practices identified are linked to temporality and spatiality. By drawing on these three patterns of activities a theoretical framework of temporal and spatial dimensions of strategizing is developed "to identify when, where and how strategizing is realized, modified and developed" (Hydle, 2015, p. 661).

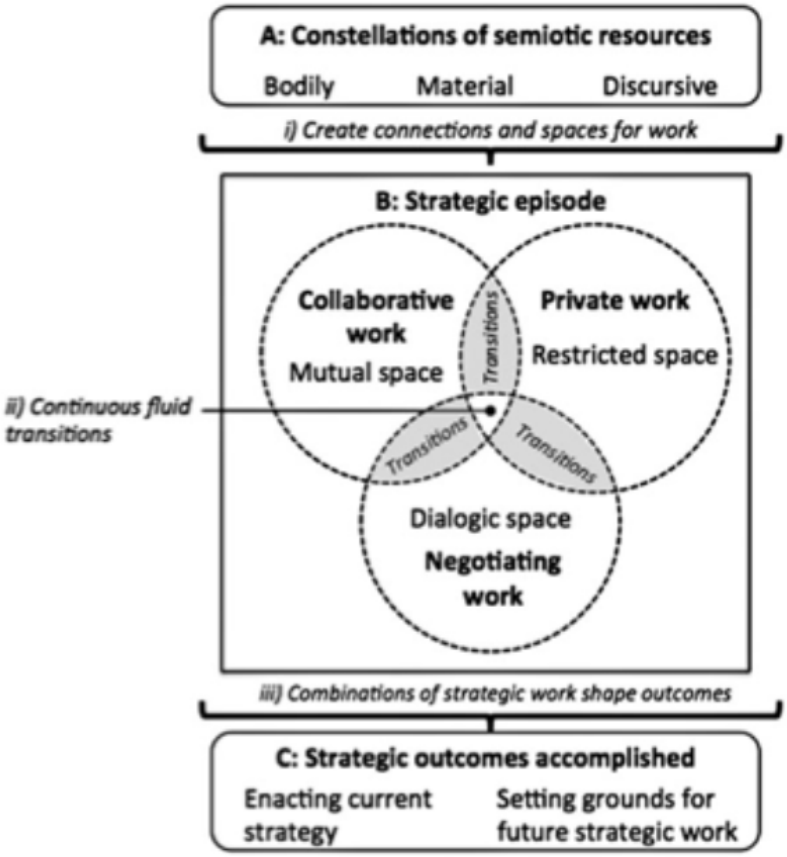
this topic by showing the intermingle between strategy work and spaces in a financial trading company. To achieve this aim, they address the multimodal lens examining the interplay between the bodily, material and spatial aspects of strategizing. Through a one year video-ethnographic analysis of different strategic episodes, they show that constellations of semiotic resources (i.e. the orchestration of multiple social and material resources such as bodily orientations, material artefacts, talk etc.) on the part of different strategists can allow them to co-create three different types of spaces:

- *mutual space*: constituted when actors use constellations of semiotic resources to shares materials (i.e. the same desk) or to establish "material connections" (Jarzabkowski et al., 2015, p. 34) where both actors focus on the same material object (i.e. a figure, a calculation etc.). The typical activities performed in this space are: directing each other's attention, sketching illustrations pertaining to the deal and mutual calculating;
- *dialogic space*: created when actors establish bodily connection looking to each other. The activities performed in this space are: discussing proposals and terms, signalling areas of (dis)agreement and inviting each other to elaborate upon, and alter, proposals;
- *restricted space*: constituted when actors use orchestrations of semiotic resources to create disconnection by orienting "bodies, gaze and attention to different objects in the space" (Jarzabkowski et al., 2015).

The activities performed in this space are: private calculations, absorbing calculations and making notes and focused thinking.

Space and activities constitute each other performing a particular type of strategic work categorized in *collaborative work*, *negotiating work* and *private work*. Each type of work occurs in a specific space as a consequence of the activities performed within it. Collaborative work is accomplished within mutual space, negotiating work is performed within dialogic space and private work is performed within private space. Activities can shift between the three spaces allowing transitions between them and being consequential for the type of strategic work enacted. Finally, the authors argue that the fluid transitions between these works are critical for enabling the accomplishment of specific strategic outcomes. Drawing on these findings, the authors develop an analytical framework (Fig. 2.3) for the understanding of the concept of strategic work as a "spatial accomplishment" (Jarzabkowski et al., 2015, p. 27) which highlights the connections between semiotic resources, space and strategic work.

Fig. 2.3 Jarzabkowski, Burke & Spee's (2015) analytical framework on semiotic resources, space and strategic work



Source: Jarzabkowski, Burke & Spee, 2015, p. 41

The studies aforementioned have begun to embrace the spatial nature of strategizing with the development, in some cases, of frameworks helpful to interpret strategizing as spatial accomplished activity. Hence, space seems to be consequential and critical for the type of strategic work performed and for the strategic outcomes accomplished. As highlighted above, a seminal work on the

entwinement between strategizing and space is provided by Jarzabkowski et al. (2015) which explore strategizing as spatially embedded in order to recognize its social and material dimensions. As it will be shown in the last section, a socio-spatial view of organizations, inspired by Lefebvre's (1991) theoretical framework, could be useful to advance this study – and generally the idea of strategizing as embedded spatially – capturing the spatial nature of strategizing and particularly its social and material dimensions, since according to this perspective the social and the material interplay throughout the social production of space.

2.4 Space in accounting research

Within the accounting literature, scholars have devoted attention to the concept of space and have explicitly addressed the topic of the relationship among space and accounting. In accounting studies, the term "space" is used in a broad sense and it emerges primarily in the form of "distance" (Corvellec et al., 2018; Dambrin & Robson, 2011; Ezzamel & Willmott, 1998). These studies recognize that space is socially constructed (Briers & Chua, 2001, Kirk & Mouritsen, 1996; Robson, 1992) and that accounting plays a crucial role in shaping spaces (Carmona et al., 2002; Miller & O'Leary, 1994, Quattrone & Hopper, 2005).

According to these studies, accounting does not simply reflect reality but it deploys performative effects: by allowing control at a distance and rendering spaces

visible and calculable it helps construct and redefine distances. In this way, accounting tools and information shape power and knowledge in organizations.

The majority of studies that address the intertwinement between accounting and space have adopted a Latourian perspective and have investigated accounting as a form of inscription with the ability to permit "actions at a distance" (Latour, 1987, 1999). Accounting has the performative ability of "enabling people far away from the scene of activity to ostensively have a window on those activities and intervene in the name of better management" (Chua, 1995, p. 116). Accounting inscriptions are able to act at a distance (that could be geographical, functional, hierarchical, inter-organizational or temporal) through translations which move from one context to another and by building relationships among the contexts themselves.

Following this line, Quattrone and Hopper (2005) investigate how the implementation and the translation of Enterprise Resource Planning's principles within two multinational organizations affected management control by producing different ways of conceiving and managing spatial and temporal distances between headquarters and subsidiaries. According to Quattrone and Hopper (2005), space is subjectively created, it is not merely physical but virtual and accounting is a fundamental part of this creation.

Kirk and Mouritsen (1996), in turn, show how distances between the centre and the periphery of an organization – that means in their case between the

headquarter and the subsidiary of a multinational company – are affected by the intensity of the information flow. Hence, accounting systems are able to render visible and translate the events occurred in the periphery, while information systems have the ability of transporting the translations of the events from the periphery to the centre (i.e. the headquarter). In another study, Mouritsen and Bekke (1999) study how cost accounting has the capacity of constructing new time-space relations that are able to redesign a production space and redefine the conditions of the factory's work. These reflections are further stressed and enriched by Corvellec et al. (2018), who argue that accounting inscriptions are not only able to operate at a distance, but they contribute at defining the distances they cover – and across which they work – through different spatial operations. In other words, accounting has performative effects because it creates and redefines distances. Moreover, accounting inscriptions are able to travel across different contexts and also to enable closeness between elements that are detached. Hence, the performative role of accounting consists in the ability of covering distances or making distances shorter or longer among actors and artefacts. Definitively, accounting inscriptions participate simultaneously in the development of "pattern of proximity and remoteness" (Corvellec et al., 2018, p. 63).

The aforementioned studies provide evidence about the ability of accounting inscriptions and technology to act at a distance and to navigate existing geographical or organizational, physical or virtual distances. In addition, through

distance constituting practices (Corvellec et al., 2018), accounting has the ability to create spaces within which it operates by defining and redefining patterns of remoteness and closeness among actors and artefacts. In this way, accounting shapes control and power in organizations by giving visibility and allowing control at a distance.

Another stream of studies builds on a Foucauldian mind set in investigating accounting and space (e.g. Carmona et al., 2002; Miller & O'Leary, 1994). According to this stream of research accounting has performative effects too, since it has a central role in rendering spaces visible and calculable. For instance, Miller and O'Leary (1994) finds that accounting has a pivotal role in the reordering of manufacturing spaces into an organization through the development of new forms of calculation which enabled the identification of "calculable" spaces. Similarly, Carmona et al. (2002) observe that accounting can be considered a *space ordering device* linked to factory's spatial arrangements: accounting practices can reconfigure physical space rendering the factory architecture visible and calculable[11]. Furthermore, the creation and control of new spaces is integral to the constitution of new power relations. For Vaivio (2006), self-devised non-financial measurement can increase visibility to the so called "fluid" local spaces, that means

[11] Carmona et al. (2002, p. 268) observe that: "If space is configured in a ramshackle and haphazard way this may militate against the possibility of its partitioning into…meaningful centres of calculation from an accounting perspective".

unsystematic spaces not clearly mapped within the organization which are beyond control and discipline. In detail, self-devised non-financial measurements have the ability of mediating local tensions and actors' interests within the fluid space.

More recently, accounting scholars have devoted attention to the concept of space in relation to the "incomplete" nature of accounting data (see Burchell et al., 1980). The incompleteness of accounting information is a well-established topic in the academic literature: accounting indicators can be perceived as "incomplete" (and consequently they can be considered also an incomplete guide for action) because they usually do not capture all the performance dimensions judged relevant by an organization and they may allow only a partial comprehension of the complexity of organisational life (Chapman, 1997; Hopwood, 1972; Mouritsen et al., 2009; Preston, 1986). As a consequence, managers tend to react to such incompleteness by complementing accounting information with other sources of knowledge or by "repairing" them (Andon, Baxter & Chua, 2007; Jordan & Messner, 2012).

As mentioned before, some studies have emphasized that the incompleteness of accounting information may leave space for "planned confusion" (Hedberg & Jönsson, 1978, p. 47), where conflicting views persist rather than being silenced and pluralism of voices and discussions find the condition for emerging (Giovannoni & Quarchioni, 2019). Hence, accounting incompleteness and the

space it entails may allow organizational curiosity and managerial actions and may enable "productive frictions" (Chenhall, Hall, & Smith, 2013).

Also, Busco and Quattrone (2018) find that the lack of representational abilities of accounting (Burchell et al., 1980) – i.e. the Performance Measurement System in their case – leaves space for questioning and interrogations. Accounting information and visualizations incompleteness provides rooms for debate over organizational strategic orientations between actors who have different values and backgrounds. In detail, accounting and performance measurement practices offer collective and "generative spaces […] in which different concerns, interests and aspirations could be voiced and mediated in practice" (Busco & Quattrone, 2018, pp. 14-15).

For instance, the high uncertainty of the cause-effect chains of performance measurements (Chua 1995; Qu & Cooper 2011) or the possible fragility of performance measurement procedures of calculation (Dambrin & Robson, 2011) "leaves room for disagreement over strategic courses" (Busco & Quattrone, 2015, p. 1239), informing managers' participation and engagement. In a similar vein, also the BSC's graphical structure can prompt space for discussions and allow the generation of dissent and diversity because it entails the possibility for imagining an endless number of interpretations and relationship between, for instance, strategic objectives and KPIs. For example, Busco and Quattrone (2015, p. 1246) see BSC as a performable visual space, that is a "schematic visualization that

engages users by offering them a space in which they can perform a work of strategy composition, where they can imagine various meanings for abstract strategic imperatives, objectives, KPIs, and the possible links between them". In this respect, the ambiguity of BSC's KPIs and graphical visual design contribute to innovation and knowledge construction by leaving space for an endless process of interrogation and debate.

Also, some accounting and strategizing studies have begun to recognize the existence of spaces which are related to accounting practices and their role in the strategizing process. Jørgensen and Messner (2010) showed that management accounting practices (i.e. the introduction of new non-financial performance indicators) may provide a common criterion for the evaluation of strategic alternatives. In so doing, accounting provides room for discussions, a "space that allows a workable compromise to be developed" (Jørgensen & Messner, 2010, p. 187) and helps resolve potential disagreements. Also, Whittle and Mueller (2010) reveal that during the construction of strategic ideas, the accounting regime dictated the strategic agenda within the company they analysed. Notwithstanding, they demonstrate also that the organizational members forged "spaces for resistance, voice and subversion" (Whittle & Mueller, 2010, p. 643) against the management accounting system.

In summary, in the accounting literature space has been treated as socially constructed. The major part of studies has highlighted the performative effects of

accounting in relation to space. By drawing upon different theoretical approaches (i.e. Latourian and Foucauldian approach), scholars have emphasized different nuances of accounting performativity. On the one hand, accounting as a form of inscription has the ability to define and redefine patterns of distance and proximity. On the other hand, accounting can play a central role in rendering space visible and calculable. Thus, accounting shapes power and control within organizations (Ezzamel & Willmott, 1998; Miller & O'Leary, 1994) "by providing particular forms of organisational visibility and power–knowledge relations" (Quattrone & Hopper, 2005, p. 737) and by allowing control at a distance. Finally, more recently some studies have demonstrated that is the incomplete nature of accounting data that may create space for discussions and interrogations.

2.5 Interpreting the interplay between accounting and strategizing through a socio-spatial perspective of organizations

In this section, the socio-spatial perspective of organizations is traced as a valuable lens to analyse the relationship between accounting and strategizing. Primarily, a socio-spatial view of organizations, basically inspired by Lefebvre's (1991) theoretical framework (well known as *spatial triad*), could be useful to advance some studies which have begun to explore strategizing as a "spatial accomplishment" (Jarzabkowski et al., 2015, p. 27). As highlighted above, the work of Jarzabkowski et al. (2015) is central for understanding strategizing as

accomplished spatially. In their study, strategy work materializes within particular spaces that are constructed through different constellations of semiotic resources (i.e. material, bodily and discursive resources) bringing into focus on social and material dimension of strategizing. In order to take this study by further and examine more in depth the kind of space through which strategizing is produced, a socio-spatial view of organizations inspired by Lefebvre (1991) may be employed.

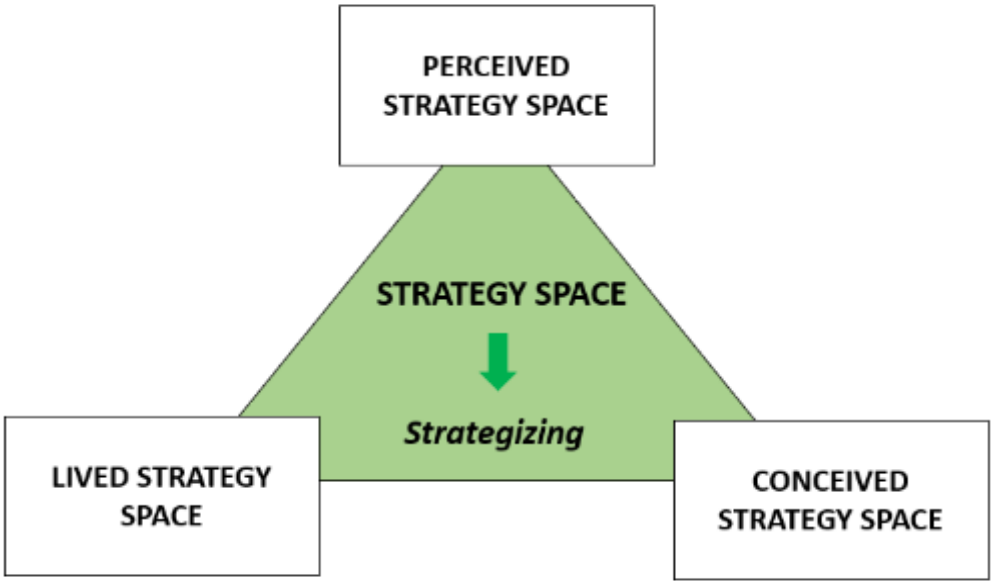
A socio-spatial view of organizations with its complex and multifaceted notion of organizational space could be useful to delve into the spaces within which strategizing occurs capturing both its material and social dimension. Indeed, as illustrated in section 2.2 a socio-spatial perspective, by relying on the idea of the social production of space and on the concept of *perceived*, *conceived* and *lived space* borrowed from Lefebvre's (1991) spatial triad, can enlighten "the *physicality* of materiality, its thingness, and the *imaginary* aspect of materiality, that which conveys its social, cultural and historical meaning, for example, the meanings and memories we associate with particular objects and places" (Dale, 2005, p. 656).

In this thesis, it is argued that strategizing occurs within "strategy spaces". This kind of space is not a physical space, but an abstract space which originates from the encounter between the way in which strategy is conceived, perceived and lived. More specifically, the "strategy space" is theorized as a social space which derives from the encounter between the three Lefebvrian dimensions of social space (Fig. 2.4):

- *conceived strategy space*: it is identified as the representation of strategy. Specifically, it is related to the way in which strategy is designed and planned through abstract conceptualizations such as plans, documents etc. For instance, it is the strategy outlined by a strategic plan or matrix;
- *perceived strategy space*: it represents the way in which strategy is everyday practiced through daily routines. Perceived space is materialized through *spatial practices* (i.e. decision-making process; strategic planning activities etc.);
- *lived strategy space*: it regards the way in which strategy is lived and experienced by organizational members through the meanings which are associated with it. It is the subjective experience of strategy.

From these three dimensions derives the idea that the spatiality of strategy is produced through the correspondent processes of planning, practising and imagining strategy.

Fig. 2.4 The “strategy space”



Source: Elaboration of the author

This conception of strategizing as embedded in the interconnections between perceived, conceived space seems promising for expanding the comprehension of its spatial nature and illuminates its material and social dimensions. Furthermore, it resonates with the multi-layered concept of strategizing provided by seminal SAP studies as the nexus between praxis, practice and practitioners (Jarzabkowski et al., 2007; Jarzabkowski & Spee, 2009; Whittington, 2006; Vaara & Whittington, 2012).

Space seems to be promising in connecting accounting and strategizing. As highlighted in the previous section, also accounting research has delved into the

performative role of accounting in constructing spaces and has acknowledged that spaces are socially produced. However, these studies engage with a broad definition of space, generally speaking about distances or about spaces for discussions. This thesis aims to take these studies further by investigating how accounting participates in the construction of a specific kind of space, i.e. the "strategy space", affecting strategizing.

In conclusion, by drawing on a socio-spatial view of organizations and on the concept of "strategy space", this thesis aims to advance both strategizing and accounting literature, exploring how accounting affects strategizing as it is embedded spatially. Rather, a socio-spatial view of organizations may help illuminate the "spatiality" of accounting and strategizing practices and to deepen the entwinement between the social and the material as well as to examine in-depth the importance of relations in such interplay. In more detail, in the next chapter it will be explored how accounting shapes and is shaped by "strategy spaces" leading to the unfolding of strategizing.

CHAPTER 3

ACCOUNTING AND STRATEGIZING: THE CASE OF PACKS

3.1 Introduction to the chapter

The aim of this chapter is to contribute to the literature on the relationship between accounting and strategizing by adopting the socio-spatial perspective of organizations as a lens to interpret the evidence collected from the case study conducted. To this end, the chapter will illustrate and discuss the main findings from the case study conducted for the thesis. Before presenting the main findings, section 3.2 will explain the research method used and the major steps followed to conduct the case study. This section will describe the motivations behind the choice of the research method and the reasons underlying the case selection. Then, it will outline the processes of data collection (sub-section 3.2.1) and data analysis (sub-section 3.2.2).

Subsequently, section 3.3 will introduce the case study developed for this research. Firstly, it will provide an overview of the company selected, then, in sub-section 3.3.1 the main distinctive features of the strategy orientation of the company will be outlined for a better the comprehension of the case study itself.

In section 3.4 the main findings will be illustrated providing the analysis of the evolution of the relationship between accounting and strategizing over the years. The empirical findings will be presented in the form of three main strategizing narratives, considered explanatory of the relationship between accounting and strategizing within the company. Then, the main evidence will be summarized and discussed in section 3.5 by adopting insights from the socio-spatial view of organizations.

3.2 Research method

This thesis has adopted an interpretive stance (Ahrens & Dent, 1998; Chua, 1986; Lukka, 2007; Scapens, 1990). According to this approach, reality is socially and subjectively created and interpretation is the best means to understand the reality which human actors construct (Chiucchi, 2012), as interpretation lies at "explaining the meaning of something" (Lukka, 2007, p. 82). Since the interplay between accounting and strategizing is a complex phenomenon which could even lead to unintended effects and which can be understood "by examining the daily routines and mundane, micro-level practices of strategy makers inside

organizations" (Boedker, 2010, p. 597), an interpretive approach is suitable to help understand what human actors do in their everyday practices and interactions and the meanings they attach to these issues (Lukka, 2007).

The chosen research method is a qualitative single-case study. A case study methodology can be argued to be valuable for investigating an organizational phenomenon in its real-life context (Lukka, 2005; Ryan, Scapens & Theobald, 2002; Yin, 2003). The case study allows the researcher to get a holistic and in depth analysis on the phenomenon under investigation (Ferreira & Merchant, 1992), because it permits to elicit numerous and meaningful data and it enables to delve into the organizational phenomenon by gaining close proximity to the context in which it takes place and to the actors involved (Atkinson & Shaffir, 1998).

Furthermore, the case study method is suitable to help answer the research questions identified because it permits to follow the dynamic and evolving interactions between accounting and strategy over time (Langfield-Smith, 1997). For this reason, it is a method that has been used by several other researchers to study the link between accounting and strategizing (see, for instance, Ahrens & Chapman, 2007; Englund et al., 2017; Fauré & Rouleau, 2011; Tekathen et al., 2019).

The organization selected for the case study is Packs (a pseudonym), an Italian company operating in the manufacturing sector. The case was chosen purposefully (Patton, 1990) after some semi-structured interviews conducted with

an external consultant within another research project. From the information provided by the consultant, the case of Packs appeared a suitable setting to conduct the case study. Indeed, from the semi-structured interviews emerged that the company had faced several strategic challenges during its existence. In order to face these challenges and support decision making process, Packs adopted a formal management accounting system that has progressively evolved over time. Accordingly, within Packs management accounting and control practices were strictly related to strategy-making practices. For these reasons, Packs appeared as a fertile ground for analyzing the interplay between accounting and strategizing.

The case study is examined from a longitudinal perspective. Since the interest lies in investigating the different roles that accounting can take in the strategizing process and their mutual relationship, it is appropriate to follow the dynamic interactions between them over time. Furthermore, the advantage of a longitudinal approach which covers a long period of time is that it allows for the analysis of several accounting devices and projects and their links with strategizing over time (Chen, Katila, McDonald & Eisenhardt, 2010; Skærbæk & Tryggestad, 2010)

3.2.1 Data collection

The case study was conducted over a period of 16 months, from June 2018 to October 2019, while the period under investigation covers the period from 2002

to 2019. The empirical material was collected using different sources of data (Yin, 2009): interviews and documentary research. The main aim was to ensure data triangulation (Yin, 2003). Among the different sources of data, semi-structured interviews were the main source of data collection. In total 12 face-to-face interviews were undertaken, both at the firm's headquarters and the university department. Key informants included the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the two management accountants and a management accounting and strategy consultant who had a leading role in the development of the company's management accounting system over the years (a list of the interviews is provided in Table 1). The CFO was the "gate-keeper" (Chiucchi, 2012), namely the person who has the required status and power within the hierarchy "to help open the doors to the research project" (Dumay, 2010, p. 54).

Table 3.1 - Interviews

Informant	Code	N. of interviews	Total duration (approx. hours)
Chief Executive Officer	CEO	1	1,5
Chief Financial Officer	CFO	3	4
Management accountant 1	MA1	2	2
Management accountant 2	MA2	1	1
Consultant	Consultant	5	9
		12	**17,5**

Source: Elaboration of the author

Each interview lasted about 90 minutes on average. Interviews were tape-recorded and subsequently transcribed. Where this was not possible notes were taken during the interview and more detailed notes written up immediately after the interview. Also, field notes were taken during the interviews and during visits to the company in order to record episodes, comments and interactions (i.e. gestures, tone of answer). Two rounds of interviews were conducted with a five-month interval. The first round of interviews was broader in its scope in terms of the topics covered because the main aim was to gain an overview of the case selected. The second round of interviews was more focused on the topics identified in the first round. The interviews were focused on these main topics: (1) main strategic events;

(2) accounting and management control practices; (3) the impact of accounting information on strategic decision-making and vice versa.

The events narrated by the informants covered a long period of time as the period of analysis starts from the beginning of 2000s until nowadays. It must be acknowledged that retrospective errors related to events happened in a distant past attributable to faulty memory could occur (Golden, 1992). Thus, in order to reduce possible false memories and limit potential bias, each informant has been interviewed more than once and different informants were interviewed in order to triangulate the data increasing data trustworthiness (Guba & Lincoln, 1985). This permitted to reconstruct the chain of events occurred obtaining a reliable version of the story.

The documentary research was conducting by analysing both public documents (e.g. newspaper articles, the company website etc.) and internal documents produced during the period under investigation. Specifically, the internal documents reviewed were: annual reports, business plans, internal accounting reports, budgets, board and top management meeting material, PowerPoint presentations, as well as consultant's reports, presentations, notes or emails.

Material was gathered starting from public documents in order to obtain a general overview of company's activity and strategy. Archival records were typically handed out during interviews and they were presented and discussed

during interviews. These materials were used to develop and confirm issues that emerged during the interviews and to reconstruct the chain of events occurred in the organization during the period under investigation.

3.2.2 Data analysis

Interview transcripts were organized chronologically. All the data collected were coded and organized around the main topics previously highlighted. Data on the first topic (i.e. the main strategic events) permitted to reconstruct the main strategic challenges faced by Packs and its strategic orientation. The second topic (i.e. accounting and management control practices) allowed to identify the main accounting and management control systems developed to support strategy and decision-making. The third topic (i.e. the impact of accounting information on strategic decision making and vice versa) allowed to broadly explore the role of accounting in our interviewees' strategizing efforts and the existence of a mutual relationship between accounting and strategizing.

The data were examined through "recursive cycling among the case data, emerging theory, and later, extant literature" (Eisenhardt & Graebner, 2007, p. 25) in order to delineate our research questions. In particular, the empirical evidence was interpreted with inspiration from the theoretical perspective explained in the previous chapter.

The presentation of the empirical findings has been informed by a narrative approach to writing (Czarniawska, 1999). A "narrative" is made of three parts: "an original state of affairs, an action or an event, and the consequent state of affairs" (Czarniawska, 1998, p. 2). We collected the data and built up a plot (Czarniawska, 1998) to make sense and reconstruct the chain of events going back to 2002. Accordingly, the empirical findings are presented through three strategizing narratives (Llewellyn, 1999) that are explanatory of the relationship between accounting and strategizing. Narratives have been employed in accounting and strategizing literature (see, for instance, Begkos et al., 2019; Jørgensen & Messner, 2010) for exploring the ways in which accounting is implicated in strategizing and they have been considered valuable for providing "useful knowledge of human intent (or strategizing) to enhance argumentation for management control" (Llewellyn, 1999, p. 222).

3.3 Case background

The organization under analysis is Packs (a pseudonym), an Italian large-sized company operating in the packaging industry. Packs' headquarter as well as the main plant are located in Italy, the company has also a manufacturing branch and some commercial subsidiaries abroad. The company employs around 500 people and has an annual turnover of about 120 million euro.

The company handles all activities related to the design, manufacturing, delivering and sales of its products. Packs is one of the main leaders in its sector in Europe and it sells approximately 50% of its product in Italy while exporting the remaining part worldwide. The company's competitive advantage relies on its production and logistic processes, characterized by leading edge technologies, and on the services associated with products. Packs operates through three business units (BU) which are linked to the three main product lines of the company:

1. industrial packaging;
2. shoppers for large retailers;
3. luxury shoppers.

Packs is a family business whose founder has always been the Chief Executive Officer (CEO) from the foundation, in 1996, to nowadays. During its existence, Packs has passed through different stages (Fig. 3.1).

Fig. 3.1 Stages of company's life cycle

Source: Elaboration of the author

After the foundation, the company experienced a period of difficulty due to the lack of market demand and heavy initial investments undertaken to start the business. Then, since the early 2000s to nowadays the company has been experienced a period of significant and constant growth (+500% of employee and +600% of turnover in twenty years). Finally, during the last two years, the company has decided to solidify cash flows in order to start a phase of "consolidation". Over the last 20 years, Packs has undergone significant changes in its organizational structures, and management roles and systems. These changes have included the progressive entrance of both family (the founder's sons) and nonfamily professional managers (i.e. logistics manager, buyer), as well as an ongoing process of formalization and sophistication of management control systems. In the next section, it will be outlined how this period of wide expansion was achieved.

3.3.1 The strategic orientation in Packs

The strong and constant growth of the company's performance and sales has been attained through different strategic initiatives. When asked to reflect upon how Packs had become so successful, three strategic features constantly recurred in the interviews.

First, the company adopted a business strategy focused on strong internationalization in order to establish its presence abroad. Indeed, the company has established a manufacturing branch and commercial subsidiaries abroad with

the aim of intercepting emerging markets with high buying power and improving the customer service at the same time. The second strategic initiative regards the choice of operating both in the industrial and in the luxury segments. Entering lines of business (i.e. the luxury segment) which were different from the operations the company was conducting at that time permitted the company to expand its business horizon. Importantly, it allowed the organization to reduce the business risk. As commented by the CEO:

> *"During crisis time, profits from flour packages are high, while profits from clothing shoppers are low. When the crisis ends and consumes grow, there is the opposite situation. Thus, we did the right choice to continue both the business" (CEO).*

Finally, over the years the company heavily invested in Research&Development (R&D) (e.g. technological solutions for both products and processes innovation). In doing so, Packs' main strategy has been that of gaining competitive advantage by improving product quality as well as exploiting productive synergies through a strong internal growth.

Packs' strategic objectives, in common with other family businesses (Naldi, Nordqvist, Sjöberg & Wiklund, 2007), usually did not resulted from formal strategic plans, but rather from the CEO's entrepreneurial intuition. As commented by the CEO:

"The business idea has changed over time… The decision to open a new branch in [a European country]? Now we can say it was a strategy of internationalization…. This is not what really happened. At first, the branch was not built for company's internationalization. The decision was made because of a series of circumstances, thanks to a supplier who was in contact with a competitor, who in turn was looking for financial support for an acquisition. Then, there was a complex succession of events. Building a branch in [a European country] wasn't in our plans. However, there was this opportunity and I said: 'ok, let's exploit it'. Now we talk about companies' internationalization but at that time it wasn't our purpose, however it went well!" (CEO).

However, in order to deal with this period of heavy growth, Packs increasingly sought to establish a more professional approach to strategy-making. This meant both the progressive entrance of nonfamily professional managers (e.g. the Chief Financial Officer-CFO, who headed the Administration, Finance and Control area) and the ongoing adoption of formal control mechanisms and systems (e.g. management accounting system etc.) which could support decision-making processes. The progressive sophistication and formalization of the management accounting system was supported also by an external consultant who assisted the CFO and the management accountant in the implementation and use of several accounting tools.

3.4 Accounting and strategizing at Packs

This section presents the main findings of the case study in the form of three main strategizing narratives (Czarniawska, 2004; Llewellyn, 1999) which are explicative of the relationship between accounting and strategizing within Packs. The empirical evidence is read through the lenses of the socio-spatial view of organizations presented in the previous chapter, and specifically on Lefebvre's (1991) conceptions of conceived, perceived and lived space. The three narratives – which will be further described in sub-sections below, 3.4.1, 3.4.2 and 3.4.3 – regard: (1) the case of one of the three company's business unit which was underperforming and which was relaunched thanks to the use (with strategic purposes) of a profitability report system; (2) the choice between dropping or growing a company's business line which was both problematised and questioned by a series of accounting and strategic tools; (3) the investment strategy of the company sustained by accounting and business planning practices.

3.4.1 First strategizing narrative: "relaunching a business unit"

In 2001, a few years after the foundation of Packs, the CEO hired a management accountant and contacted an external consultant in order to help the CFO set up a management accounting system. In that period, the company lacked specific management accounting tools and practices. After some preliminary meetings, the CEO formally launched a project with the aim of implementing a cost

accounting system and a profitability analysis system in order to examine products' costs and profitability. The consultant worked closely with the CFO and the management accountant in order to enable the introduction of a direct costing approach instead of a full costing approach. A focus on profitability was enhanced throughout the organization by the use on the part of the consultant of various artefacts such as accounting reports and spreadsheets or examples aimed to show the usefulness of the contribution margin approach.

The project ended two years later with the creation of the first profitability reports. In that moment, the CEO's son, joined the company as Sales Director of one of the three business units: the Industrial packaging Business Unit. When he joined the company, he found a business unit that was performing poorly: despite the growing demand, most products showed a low level of profitability. As Business Unit Director, in order to effectively manage his BU, he started to deal with the information provided by the management accounting system previously implemented and at the same time, established a close collaboration with the management accountant and the external consultant in order to better understand the logic and the usefulness of the management accounting system.

As soon as he grew more familiar with the management accounting system, the Sales Director became aware of the importance of the profitability analysis. As commented by the consultant:

"The Sales Director took immediately to his personal interest the question of marginality. Hence, he engaged in the profitability analysis system which was developed with the management accountant" (Consultant).

The Sales Director started to use the profitability analysis to determine the appropriate strategic courses of action in order to relaunch his business unit. More specifically, he first asked the management accountant for a customer profitability analysis. Later, the profitability reports started to be shared and discussed within sales managers meetings. The information provided by the reports started to be used at an operational level (i.e. price formulation) and at a strategic level (i.e. discussions of proposals for further developments).

Importantly, the profitability analysis was used to guide the sales force's efforts. The Sales Director used the information provided by the profitability analysis to identify customers with lower contribution margin and established more challenging and specific targets for the sales force in order to win customers back. In a few years, with the collaboration of the management accountant, the Sales Director overturned the poor performance of the Industrial Packaging Business Unit. The relaunch of the BU is still considered today an important strategic initiative that contributed heavily to the growth of the company. As commented by the CEO:

"There were different factors affecting the company growth. I must recognize to my son the credit for having relaunched the Industrial

Packaging Business Unit and for bringing a lot of foreigner customers" (CEO).

In this case, accounting supported the daily decision-making that led to the relaunch of the BU and guided the Sales Director's strategizing efforts through the concept of profitability. The information contained within the profitability reports represented the criteria based on which the Sales Director built his strategy for relaunching the business unit. For instance, it was the customer profitability analysis which told the Sales Director how to proceed. He did not focus only on the traditional and somewhat "intuitive" concept of customers' sales volume; in fact, the way in which the management accounting system was designed permitted him to focus on the concept of customer margin. This allowed him to engage with a customer portfolio analysis and decide for specific sales initiatives in order to enhance the performance of lower profit customers.

The mobilisation of specific accounting practices by the Sales Director (specifically the concept of profitability) changed the existent strategic practices at work in Packs. Indeed, with the previous Sales Director, strategic decisions were based on a more informal and less calculated approach. As commented by the management accountant:

"The previous Sales Director used to do everything by himself, using his own intuition. Now, they (the sales managers n.d.r.) are better organized: each area manager does his own budget. Moreover, the sales managers

discuss together with the area managers, they arrange half an hour meeting to peruse the budget. When Mr. Thins (a pseudonym for the previous Sales Manager) was here, he used to follow his ideas, without involving the other managers…because he had everything on his mind, he had always the situation under control. I mean, he was old-school. Now, we do well articulated profitability reports, by customers, by product line, by area, Italy and foreign countries, to provide the sales function with more information" (MA1).

In summary, the introduction and the use of profitability reports and of the concept of profitability for guiding the relaunching strategy of the business unit affected the strategy space within Packs by acting on the *perceived strategy space*, that is, as explained above, the way strategy is routinely practiced. The information contained within the profitability reports worked on the *perceived space* of strategy through changing the existent *spatial practices* within Packs. As explained in the previous chapter, *spatial practices* are the everyday practices through which space is practiced and transformed (Petani & Mengis, 2016 commenting Lefebvre, 1991). In this case, the introduction of the information provided by the profitability reports and their use with strategic purposes shifted the existent *spatial practices* – based on a more informal and intuitive approach – to the consideration of specific accounting criteria. In this way, the profitability information supported strategizing through guiding and enabling the various activities descripted above that led to the relaunch of the Industrial Packaging BU.

The new *spatial practices*, in turn, triggered the progressive evolution of the management accounting system that from a traditional management accounting system gradually evolved towards a more sophisticated system in order to sustain the decision-making process. Specifically, the cost accounting system was subsequently “reinforced” and further developed in order to support strategic decision making. On the one hand, this was obtained by introducing new accounting tools and systems like a budgeting system structured on product lines and customers. On the other hand, some characteristics of the existent accounting system were improved, thus leading to a gradual evolution of the company’s management accounting system in strategic terms. For example, the profitability reports were articulated not only by product lines but also by less "traditional" dimensions such as agents and market areas.

Then, an approach not limited to the calculation but oriented to the interpretation of accounting information was progressively promoted. This was reached by promoting meetings and moments of discussion not only with the commercial area but extended to the managers of the main corporate functions. During the meetings, managers started to think not only about the financial meaning of the information contained within the management control system but also to reflect on how this information could be translated into specific strategic actions. Furthermore, on a technical level, the profitability reports were improved in terms of timeliness, formalization and precision in order to guarantee the availability and

the accuracy of the information provided by the reports themselves. Hence, as aforementioned, a system of multidimensional profitability analysis was developed and the marginality approach was consolidated. In conclusion, this narrative is an example of how accounting informed the strategizing process at Packs, but it also highlights how the use of accounting within the strategizing process represented an opportunity for the evolution of the company's management accounting system.

3.4.2 Second strategizing narrative: "dropping or growing the business?"

Another strategizing narrative that is explanatory of the relationship between accounting and strategizing regards a strategic choice concerning another company's BU, the Luxury BU.

While the Industrial Packaging BU was relaunched and it improved its financial performance in a few years, the Luxury BU was facing a period of relevant losses, after having been for many years the company's leading business unit.

The relevant losses were highlighted by an activity-based costing analysis of the BU, which showed that the luxury shoppers did not even cover the operating costs. This analysis acted as a sort of "wake up call" for the company to make a decision and thus problematised the BU's performance dip. In view of this situation, the CEO struggled between dropping the line or growing the business, even if he was more oriented towards the first option. Hence, he decided to ask for the consultant's intervention to analyse the situation more in-depth (as recalled by the

CEO: "*I remember that I asked for the consultant's help, to have some insights from him with regard to the situation of the Luxury Business Unit*").

The consultant together with the CFO set up a comparative balance sheet analysis. The benchmarking analysis was conducted through the comparison of the balance sheet data of the competitors specialized exclusively in the luxury segment. The benchmarking analysis against other companies aimed at understanding if competitors' luxury business were profitable or not. The comparative analysis indicated the positive financial results of focusing on luxury segment and confirmed that competitors had high financial returns, as Packs did years before.

> *"The confirmation actually came out. That is, there were competitors that earned money and even a lot. At this point the CEO said: "Shall we try to figure it out?" Thus, we did this strategic analysis project " (Consultant).*

The high financial returns shown by the benchmarking calculation were so promising that challenged and questioned the previous idea of abandoning the Luxury BU. At the same time, benchmarking analysis demonstrated future possibilities and de-emphasised the Luxury BU's performance dip.

To assess the implications of the choice, the consultant set up a project labelled "New Frontiers" aimed at implementing a strategic analysis, which involved the CEO, the Sales Director of the Luxury BU and the CFO. Alongside this, the consultant organized some training sessions in which he showed how the

organizational members involved in the project could set up the strategic analysis. He presented the "Blue Ocean Framework" (see Kim & Mauborgne, 2005) and then drafted the strategic analysis and a business plan that permitted to arrange some financial simulations and projections about the impact of each strategic alternative. The organizational members were involved in collecting all the information needed. In order to arrange the analysis and the financial-economic simulations, several meetings were organised and they were opened to other organizational members such as the operational managers and the heads of the commercial subsidiaries. The meetings were aimed at discussing and tracing some strategic courses of action that team members had to implement for the relaunch of the BU, such as enhancing the logistic activities in order to establish the presence of the company at an international level and consequently reach key customers in their area. Furthermore, the strategic analysis aimed at better defining the key role of the new Sales Director.

The strategic analysis and the business plan indicated that the BU was not to be abandoned because the luxury segment was a segment with high profit margins. On the contrary, the strategic analysis and the business plan recommended to focus on the luxury product line and showed that the Luxury BU was to be reinforced because of its future positive financial results and considered the competences acquired by the company throughout the years. Thus, the strategic analysis recommended the opportunity to continue with the luxury shoppers. After

the end of the project, Packs decided to relaunch the Luxury BU which generated good results in a few years.

Importantly, the second CEO's son joined the company during this project as Sales Director of the Luxury BU. The strategic analysis, alongside with the involvement of several organizational members, enabled inclusivity and minimized oppositions. Thus, the unanimous agreement on the strategy proposed by the "New Frontiers" project gave the CEO's son a strong power and helped him establish his leadership.

To sum up, by indicating the economic implications of the strategic choices, accounting calculations problematised and raised doubt about the then current strategic pursuit of diversification between industrial and luxury segment and urged the CEO and top management to review the conceived strategy of diversification. The cost analysis generated alarming signals (Ozdil & Hoque, 2019) and further revealed a significant low performance of the Luxury BU. Abandoning the BU resonated with the criticalities of BU's performance highlighted by the activity-based cost analysis. At the same time, the positive financial results displayed in the benchmarking analysis assessed the strategic value of Pack's diversification between industrial and luxury segment, stimulating the company to imagine an alternative future for the Luxury Business Unit.

In this sense, accounting affected the strategy space by questioning the *conceived strategy space*, that is the way in which strategy is deliberately planned

and designed through abstract conceptualization such as plans, reports etc. Within Packs, the strategy of diversification between industrial and luxury segments resulted from a report commissioned years before to a consulting company, which suggested the strategy of focusing on the luxury segment in addition to the industrial one, as recalled by the CEO:

> "*Several years ago, we commissioned a report to [the name of the consulting company]. The report suggested us to focus also on the luxury segment*" (CEO).

Through its "attention-directing qualities" (Mouritsen & Kreiner, 2016, p. 23), accounting problematised the BU's poor financial performance and challenged the current strategic orientation as it was formulated and "designed" years before.

3.4.3 Third strategizing narrative: "planning and sustaining investment projects"

In the early 2000s, as the company continued to grow, the CEO continued to plan large investments. Specifically, the organization planned significant investments aimed to buy innovative machineries, open a new productive branch and commercial subsidiaries abroad and above all, to build a new manufacturing main plant. Hence, in order to evaluate the viability of planned investments and gain easier access to financial resources, a constant dialogue with financial institutions was required.

In the light of this situation, the consultant with the CFO proposed to the CEO the development of a business plan in order to facilitate the engagement with financial institutions. Thus, the business plan was initially introduced with the aim of attracting financial resources for sustaining Packs' investment in the pursuit of its growth strategy. As commented by the CFO:

> *"The business plan was used for discussing with banks. It was linked to the initial investments for the construction of the main plant, of the first part of the building, the offices..." (CFO).*

The initial function of the business plan resonated with the way the CEO lived and subjectively experienced strategy as a "linear pathway": once the investment needed for the company's growth strategy was decided, it had to be pursued no matter how expensive it was and the financial institutions had to be convinced to grant funding.

> *"Few years after the foundation, the company's growth strategy was pursued through what we called a series of 'investment steps: step 1, step 2, step 3 etc. that were gradually implemented" (CEO).*

> *"When the CEO planned an investment, for when he decided to build the new manufacturing main plant, he carried on without stopping" (Consultant).*

The business planning project started. Initially, it was the CFO who developed the business plan together with the consultant. The business plan had the form of several Excel spreadsheets and was based on quantitative medium-long term simulations in line with three different scenarios (e.g. the loss of an important customer, the decrease of sales volume etc.), as the "numbers" had the main function of convincing banks to fund Packs' investments. According to this function and the way in which strategy was lived, the business plan was developed in relation to specific investment initiatives.

At this stage, the CEO was not involved in the construction of the business plan. The results were presented and shared during the board meetings (composed by the CEO, the Heads of the Operations, Production, Sales, Logistic areas). However, based on to the function attributed to the business plan as a way to engage with the banks and attract financial resources, at that time, the CEO and the top management did not use the information provided by the business plan to strategize, they simply "took note" about business planning results during the presentations.

Over the years, there was some refinement to the business plan's design and process. The main changes regarded the inclusion of detailed variables (e.g. detailed costs, incidence of different materials, etc.) collected in separate spreadsheets and articulated according to various categorizations (e.g. for product lines, customers, geographical markets, etc.). Regarding business planning practices, the management accountant was progressively involved in managing all the business

planning process and he started to present the final draft of the business plan to the board meetings. During these meetings, the overall provisional balance sheet and income statement were presented, as they were the most important parts of the business plan.

Furthermore, the managers of the main organizational areas started to be involved in business plan projections. Specifically, the management accountant sent periodically to the managers some spreadsheets with actual results related to their specific area, which had to be completed with forecasts.

As the management accountant started to be more engaged in business planning process, during the presentations of the business plan at the board meetings, she began to realize that the CEO and managers focused only on the final net income of the income statement without actual discussions and without fully understanding projections' variations.

In the light of this situation, the management accountant started to present not the overall income statement anymore but the single budgets and single figures' variations, while the final net income was presented only at the end. As commented by the management accountant:

> *"They [the managers n.d.r.] look just at the last number of the income statement! In fact, this year, I have made a change. Last year I immediately presented the income statement. This year, the final net income has been the last thing that I showed to them, just in the last 5 minutes (laughing). This, because last year looking at the overall income statement nobody*

understood why the figures were changed, what was there, what wasn't there… This year I simply made like this: (taking the sheets with the PowerPoint presentation) this has been the presentation, I started from the sales budget, the raw materials costs and so on…" (MA2).

Hence, at the eyes of the participants of the meetings, the information provided shifted from showing a complete representation of company's financial situation (i.e. the overall income statement) to a more "incomplete" one (i.e. single numbers' variations or single budgets). However, by showing only a subset of things to be taken into account instead of the overall picture, the business plan started to provide space for new interactions and strategic discussions which usually started from the design and meaning of single items. Particularly, it provided grounds to a number of possibilities and interpretations about the cause-effect relationships between performance measures. The multiple strategic reflections that the business plan entailed, changed the CEO's lived space of strategy, (i.e. the way of experiencing living). Specifically, strategy moved from being subjectively lived as a "linear pathway" to something which is always questionable. Indeed, the discussions fostered interactions and debate between the top management and the CEO around issues not considered previously and led to the formulation of corrective strategies fostering strategizing through discussions. As highlighted by the management accountant:

"Now the meetings are more interactive. Sometimes by looking at the business plan the CEO asks me from where a specific projection comes. Then the conversation may continue because he also asks to the manager who proposed the projection […] *I recall that time when a manager had to justify with the CEO about the amount of a price. The CEO asked me straight away 'What is this?' I still remember the intimidating tone. Therefore, I said that the price came from the budget that the manager sent to me. And the manager had to justify it, these scenes are stamped on my memory. […] When the CEO asks for further explanations about prices or costs contained within the business plan it is very stimulating for all of us. They [the participants to the meetings] start to talk about something that for various reasons had not been talked about before and often corrective strategies are identified" (MA2).*

The shift in CEO's lived space and his consequent strategizing efforts are highlighted by another example provided by the CFO:

"That time the CEO was in Germany for buying a machinery which would have cost 3 million euros. He called me asking: "So how's that sound?' I replied: 'So and so…' From the business plan I knew we were losing 500 million euros. He came back without making the investment!" (CFO).

Interestingly, in the meantime, the CEO with the CFO decided to routinize business planning practices: business planning had to be realized each year and (eventually) revised at least every six months. As a consequence, a number of new management accounting tools were introduced to sustain business planning

practices and the strategizing process of questioning and discovering, such as the monthly variance analysis (both of variable and fixed costs) and the investment budget. Moreover, recently the company decided to anticipate the budgeting process and articulate the budgets on a monthly basis in order to enhance the effectiveness and timeliness of the business plan's projections. Interestingly, as a consequence of routinization of the business planning process and the discussions with the CEO during the meetings, managers started to be more "accountable" about the forecasts and the results provided with regard to their specific area. Hence, managers started to pay more attention on the reliability of the projections sent to the management accountant. For instance, while before it was the CFO who collected the needed data about fixed costs, with the routinization of the business plan managers started to develop a fixed costs budget. Another example is provided by the management accountant:

> *"Now, as the information within the business plan are discussed to decide corrective strategies and the CEO asks for explanations about the meaning of the data, managers have started to become more responsible. For instance, the Sales Manager organizes periodic meetings with each area manager to elaborate projections for the following three years" (MA2).*

3.5 Discussion of the main findings

In this section, the main findings are discussed and read through the lenses of the socio-spatial view of organizations and particularly through Lefebvre's

(1991) conceptions of conceived, perceived and lived space. Specifically, the notions of social construction of space and of conceived, perceived and lived space will be used as conceptual categories for exploring the way in which accounting affects strategizing processes and vice-versa.

3.5.1 The role of accounting in the strategizing process: acting upon strategy spaces

As highlighted in the previous chapter, some authors (see Jarzabkowski et al., 2015) have started to explore strategizing as spatially embedded and have recognized its social and material dimensions. We take these studies further by interpreting the spatial dimension of strategizing through the socio-spatial view of organizations and particularly through Lefebvre's spatial triad (1991). We theorize that strategizing occurs within "strategy spaces", which derived from the encounter between the way strategy is conceived, perceived and lived.

In the case of Packs, strategy spaces are populated by both strategy and accounting artefacts, strategists and accounting roles. Within the company, accounting played an active role in the strategizing process by affecting the way strategy space was conceived, perceived and lived, as explained below.

In the first strategizing narrative, accounting worked as a "guide" for actors' strategizing efforts by creating a guiding principle around the concept of

profitability. In detail, the focus on profitability oriented the Sales Director's action: he used the information provided by profitability reports as a criterion on which the relaunching of the business unit was built. Specifically, the profitability measures regarding the main customers lead to focus on customers with lower margin in order to win these customers back. In this case, accounting supported the process of strategizing as a guide by working on the perceived strategy space, that is how strategy is practiced through ongoing actions and interactions. The information provided by profitability reports affected perceived space by changing the *spatial practices* in action within Packs. In this case, the introduction of the profitability measures and their use with strategic purposes moved the existent *spatial practices* through which strategizing occurred from a rather "intuitive" way of strategizing in the midst of manager's intuition to a more calculated way based on the focus on profitability.

This finding is consistent with Jørgensen and Messner (2010) and Cuganesan et al., (2012) who found that profitability (i.e. costs in the case of Cuganesan et al., 2012) represented a general understanding which guided actors' strategizing effort in the negotiation between several competing or complementary strategic objectives. Profitability reminded managers the ultimate financial outcome to be attained. However, in their case strategy was already defined and accounting helped mediate between different interests, whereas at Packs, when profitability measures entered the picture, they supported a new strategic course of

action. In Jørgensen and Messner (2010) profitability referred to the desirable outcome to be attained, while at Packs profitability measures represented the input which engendered new strategic practices, as much as the CEO and his sons became "dependent" (using consultant's words) from the information contained in the profitability reports for making decisions.

In the second strategizing narrative, it is shown how accounting affected the way in which strategy is planned and designed by strategists (i.e. in Lefebvre's terms the conceived space). Particularly, accounting calculations created some "turning points" that led to problematize and question the way in which strategy was initially conceived by the CEO years before through a strategic report developed by a consulting company. Hence, accounting practices questioned prior commitment in diversification between industrial and luxury segment. Accounting tools "forced" board members to review the decision made years before. Particularly, the benchmarking analysis played a pivotal role in leading to the unfolding of strategizing through questioning. By depicting the positive financial return of the competitors and elucidating competitors' high financial returns the benchmarking showed an alternative future for the Luxury Business Unit.

Accounting was not used as an answer machine (Burchell et al., 1980) that provides solutions and calculations about the economic consequences of a choice. Rather, accounting worked as a "machine that praises doubt" (Mouritsen & Kreiner, 2016, p. 29, commenting Busco & Quattrone, 2015). Thus, accounting makes

people ask questions bringing to the fore an endless chain of decision making and continuous revisions and refinement of existing decisions, leading to the unfolding of strategizing.

Interestingly, except for the "New Frontiers" project, the company has not made use of formal strategic analysis or tools (e.g. Swot Analysis, strategic maps etc.) anymore. It could be supposed that in absence of strong reliance on formal strategic analysis, accounting seems to have been mobilized to ensure the ongoing questioning and reformulation of strategic choices. Accounting seems to have "substituted" strategic tools in questioning the conceived strategy space.

As emphasised by prior accounting and strategizing studies (e.g. Ozdil & Hoque, 2019; Skærbæk & Tryggestad, 2010; Whittle & Mueller, 2010) accounting tools and information may lead to the reformulation of planned strategy with changing and configuring effects. At Packs, rather than creating a learning situation (Skærbæk & Tryggestad, 2010) or defining the added value of strategic ideas (Whittle & Mueller, 2010), accounting calculations prompted strategic refinement and redevelopment through an ongoing process of problematizing and questioning. Moreover, the refinement of the previous strategic choice resulted from the active mobilization of internal specific accounting calculations (e.g. cost based analysis, benchmarking) rather than being triggered by external changing economic conditions (Tekathen et al., 2019).

In the third strategizing narrative, accounting worked on lived strategy space, that is the way through which strategy is imagined and subjectively experienced. In this case, accounting created a new way of living and imagining strategy. Within Packs business plan was initially introduced with the purpose of convincing financial institutions to grant funding for company's investment projects. This function was consistent with a way of imagining strategy as a linear chain of "investments steps" (in CEO's words) that were planned and implemented without actual discussions or interrogations.

The accounting practices carried out during business plan's presentations in board meetings (e.g. single projections' variations instead of the overall income statement) provided grounds for discussions, for example on the meaning of single items. The business plan started to be used as a means of ongoing questioning and discoveries, creating a new way of experiencing strategy as something which could be always questionable. For instance, the "incomplete" representation of accounting information (i.e. single budgets or single projections variation instead of the overall business plan) fostered reflections on the potential strategic patterns to follow. In the case of Packs, accounting "does not make the world less messy; it only makes the calculation of the world neater: from many receipts to fewer cost categories; from cost categories to fewer profit categories; from profit-categories to fewer categories of profitability" (Mouritsen & Kreiner, 2016, p. 24). It can be said that accounting incompleteness forced strategists to act only on a subset of things that

could have been taken into account. In this sense, accounting because of its representational gap (Burchell et al., 1980; Jordan & Messner, 2012; Quattrone & Hopper, 2005) did not provide a "description of the actual world but an account of (selected) problems and solutions for the future" (Mouritsen & Kreiner, 2016, p. 25) fostering discussions and multiple interpretations (for instance about the cause-effect relationship between performance measures). Within Packs the use of business plan as a means of questioning and ongoing discoveries and the consequent new lived space of strategy led to the unfolding of strategizing (e.g. discussions between top managers, the CEO that use business plan to "certify" strategic decisions) and affected the investment strategy of Packs.

The concept of lived space (Beyes & Steyaert, 2012; Munro & Jordan, 2013; Watkins, 2005) represents an innovative aspect in accounting and strategizing literature. The way in which strategy is personally and subjectively experienced by the actors involved seems an aspect still overlooked in the accounting and strategizing literature, whereas strategizing is seen as the emblem of a refocus on "living beings whose emotions, motivations and actions shape strategy" (Jarzabkowski et al., 2009).

Finally, the analysed case has revealed that accounting can take different roles within the "strategy space" affecting the strategizing process. Specifically, accounting worked as a guide, as a means of problematising and questioning and as a means of ongoing questioning and discoveries depending on the dimension of the

strategy space it shaped. This finding adds to previous accounting and strategizing studies which tended to regard the role of accounting as unchanged during the strategizing process (e.g. Ozdil & Hoque, 2019; Whittle & Mueller, 2010). Within Packs, spaces progressively unfold, evolve and expand as new actors, tools and practices entered in the picture and led to new interactions and relations. Over a period of 16 years, different actors (i.e. the CEO, the Sales Director, the CFO, the managements accountants, the consultant, several managers) and accounting tools and practices left and entered the strategy space several times, participating to various strategic initiatives that affected the company's growth, affecting and affected by the role played by accounting in the strategizing process. The strategy space evolved and changed over time as strategy and accounting passed through the hands of different people, being consequential for the role of accounting and its impact on strategizing.

3.5.2 Accounting and strategizing agency

Both Boedker (2010) and Chua (2007) called for investigating the relationship between accounting and strategizing by focusing both on the role of human and non-human actors. Boedker (2010) adds that material artefacts (i.e. accounting tools) may inform actors' strategizing leading to unintended consequences. In this regard, a number of studies on accounting and strategizing have highlighted how accounting can be constitutive of strategizing agency. As

highlighted by several authors (Begkos et al., 2019; Denis et al., 2006; Ozdil & Hoque, 2019) accounting tools, systems and practices may provide people with the power to act in devising, adopting, translating and enacting strategy.

Similarly, within Packs, accounting practices and tools gave legitimacy to certain actions in the eyes of other organizational members. When the two CEO's sons both joined the company as Sales Director of a business unit, they used accounting tools (i.e. the profitability reports and the "New Frontiers project", even if the latter comprehended both accounting and strategic tools) to construct their leadership and relaunch two business units on the verge of being dropped for their unsatisfactory results. Hence, in the case examined, accounting provided people with the resources for the exercise of power over others and legitimise their actions. Furthermore, we add to these studies arguing that also strategizing agency may inform accounting practices. When the Sales Director of the Industrial Packaging Business Unit engaged in accounting calculations to relaunch his BU, he acted as an "accountant in the wild" (Skærbæk & Tryggestad, 2010, p. 118)[12] and with the help of the management accountant and the consultant fostered the progressive evolution of the traditional management accounting system previously implemented by the accounting department towards a more sophisticated management accounting system aimed at supporting strategizing.

[12] Skaerbaek and Tryggestad (2010) refer to "accountant in the wild" for indicating people outside the accounting department that engage in accounting calculations.

Other studies have emphasized that accounting may shape strategic identities and rationales of key strategists who can come from outside senior management (Ahrens & Chapman, 2005; Carlsson-Wall et al., 2015; Skærbæk & Tryggestad, 2010). Within Packs, a pivotal role was played by accounting members. First, the CFO played an important role in promoting and introducing accounting initiatives and practices which had strategic repercussions. Within Packs, the CFO acted as "cultural mediator" (Chiucchi, 2012; Corbetta, 2003) in bringing together two different worlds, namely that of strategy and accounting. The leading role of the CFO resonates with Chua (2009, p. 491) that emphasized the importance for the CFO of being not only a good accountant but also a "good strategist".

Furthermore, the case examined revealed the importance of two actors which are rather disregarded in accounting and strategizing literature, i.e. the management accountant and the consultant. They played a crucial role in developing more sophisticated management accounting tools and practices and above all they supported strategists in their use. The role of these two actors should deserve further attention in future research in order to understand how accounting and strategizing can mutually construct each other through the interactions between specific accounting roles (e.g. CFO, management accountant, consultant) and strategists.

3.5.3 Cross-fertilization between accounting and strategizing

Except for Englund et al. (2017), the extant literature has focused on a one-way relationship between accounting and strategizing (i.e. on how accounting informs and affects strategy work) (e.g. Brorström, 2017; Ozdil & Hoque, 2019; Skærbæk & Tryggestad, 2010), while little attention has been devoted to the mutual interplay between accounting and strategizing. As highlighted by Englund et al. (2017), accounting and strategizing should not be considered as two separated and unconnected practices but as two interlaced aspects of the same practice, as accounting measures and strategic considerations feed each other throughout daily organizational life.

In the previous sub-sections, it has been shown how accounting affects strategizing by acting on the perceived, lived, conceived spaces which form the "strategy space". However, the empirical evidence shows that strategizing, in turn, can affect accounting in a complex intermingle. Within Packs the way in which the perceived, conceived and lived space changed performing strategizing, affected accounting in a twofold manner.

First, strategizing led to the introduction of new accounting tools and practices. Within Packs several accounting tools were introduced in order to sustain the daily decision-making process, for instance a new budgeting system as well as a multidimensional profitability reporting system were developed. At the same time, the engagement with strategizing required the introduction of new accounting

practices, for instance in the third narrative a temporal anticipation of the budgeting process was necessary to permit the accounting department to keep up with the routinization of the business planning process and, above all, permit the revision of the document at least once a year.

On the other hand, strategizing prompted the progressive evolution of existent management accounting tools and practices. Strategizing fostered the "enrichment" and enhancing of existent tools and revealed their potential in strategic terms. For example, when the Sales Director of the Industrial Packaging Business Unit understood the usefulness of accounting measures to guide the company's strategic course of actions, he became "dependent" (in consultant's words) on this kind of analysis and he asked the management accountant for a further refinement of the management accounting system. Particularly, existent accounting tools and practices were more formalized and the accuracy and level of detail of the information provided were improved in order to become a bespoke system for strategizing needs. Furthermore, as aforementioned, according to the use of accounting information for strategizing, managers felt more "responsible" and payed more attention on the reliability of the data provided.

To sum up, within Packs accounting and strategizing did not simply mutually interplay, instead they cross-fertilize each other. Accounting practices and tools represented an important means and outcome of strategizing. On one side accounting fuels the process of strategizing by guiding, questioning or fostering

discussions, on the other side strategizing prompts the evolution of accounting tools and practices both in technical (e.g. formalization, timeliness, reliability of accounting information) and cultural terms (e.g. diffusion of the accounting mind-set even among people outside the accounting department).

CONCLUSION

Starting from the last decade, several authors have embarked on Chua's (2007, p. 493) suggestion to use "lived verbs instead of abstract nouns" to study the enactment of strategy by means of accounting, in order to open up the black box called "strategy". The emerging accounting and strategizing literature has started to focus on how accounting may affect the way strategy work is conducted, bringing to the fore the idea that strategy is not something that exists a priori to accounting, but that is an activity developed contextually with accounting and with the calculation performed by individuals on different levels (both strategic and operational) within a company.

This body of research is just at the beginning and calls for further inquiries on the complex and dyadic relationship between accounting and strategizing (e.g. Carlsson-Wall et al., 2015; Englund et al., 2017; Tekathen et al., 2019). Particularly, a more detailed investigation of the mutual relations between accounting and strategizing seems to be still lacking (Englund et al., 2017).

As illustrated in the first chapter, in order to fill this gap and add to previous studies, this thesis sets out to investigate the relationship between accounting and strategizing by identifying the following research questions:

RQ1: What role can accounting take in the strategizing process and how may it evolve?

RQ2: How do accounting and strategizing mutually interplay in day-to-day organizational life?

To answer these research questions and to enlighten the dynamic and mutually constitutive relationship between accounting and strategizing, a socio-spatial viewpoint of organizations has been used as a useful analytical lens for interpreting the empirical evidence derived from the case study. A summary of the main findings through which this thesis aims at contributing to extant knowledge is provided below.

The role of accounting in the strategizing process

This thesis has explored the role that accounting (e.g. accounting information, tools, practices) may play in the strategizing process. Drawing on a socio-spatial view of organizations, mainly inspired by Lefebvre's (1991) *spatial triad* and by his studies on the social production of space, this thesis shows that accounting performs strategizing by shaping "strategy spaces". Specifically, the "strategy space" has been theorized as the space within which strategizing occurs and which derives from the encounter between the social and material dimensions of strategy. In detail, the "strategy space" results from the interconnections between the way in which strategy is planned and designed through abstract conceptualizations such as plans (i.e. the conceived space), the way in which

strategy is everyday practiced through *spatial practices* (i.e. perceived space) and the way in which strategy is experienced and lived by organizational members through the meanings associated to it (i.e. lived space). Thus, the thesis argues that accounting performs strategizing by shaping the conceived, perceived and lived space which forms "strategy space". In other words, accounting affects the processes through which strategy space is respectively planned, practised and imagined (Taylor & Spicer, 2007).

In the case analysed, by acting on the different dimensions of the strategy space, accounting played different roles. Firstly, it affected the perceived space by changing *spatial practices* in action within the organization, with the result of becoming a guide for the organizational members' strategizing efforts. Secondly, accounting worked as a means of problematizing and questioning the way in which strategy space was previously designed (i.e. conceived space), bringing to the fore an endless chain of defining and refining of strategic decisions. Finally, by contributing to create a new way of living and experiencing strategy (i.e. lived space) accounting fostered strategic discussions within the organizations, performing strategy work. Specifically, accounting worked as a means of engaging in ongoing questioning and discovering and challenged the previous way of living strategy as a linear pathway in favour of a new way of experiencing strategy as something which is always questionable.

As showed above, within Packs accounting played three distinct roles, rather different from each other as "strategy space" changed and evolved. Thus, the findings show that the role of accounting in the strategizing process not only can change but it can also evolve over time. From the first strategizing narrative to the third, accounting passed progressively from *supporting* strategizing process as a guide, to *perform* strategizing by fostering reflections on potential strategic patterns and corrective strategies. The evolution of accounting derived from a recursive co-construction between accounting and strategizing that feed each other, sustaining a process of cross-fertilization as it will be further explained below.

The mutual interplay between accounting and strategizing

The findings of the thesis show that the relationship between accounting and strategizing is not unidirectional as the most accounting and strategizing studies have highlighted (e.g. Brorström, 2017; Ozdil & Hoque, 2019; Skærbæk & Tryggestad, 2010), focusing on the performative role of accounting in the strategizing process. However, accounting and strategizing establish a dyadic and complex relation.

In the previous sub-sections, it has been shown how accounting affects strategizing by shaping the various dimensions which form the "strategy space". Strategizing, in turn, can affect accounting in a complex intermingle. Indeed, the way in which accounting shaped the perceived, conceived and lived space

performing strategizing, triggered both the progressive evolution in strategic terms of existent accounting tools and practices and the introduction of new tools in order to support the process of strategizing itself. Thus, the thesis shows that accounting and strategizing do not simply shape each other but they recursively cross-fertilize in day-to-day organizational life.

In the case analysed, in the first strategizing narrative the change of *spatial practices* at work within the Industrial Packaging Business Unit triggered the evolution of the existent management accounting system into a more sophisticated and strategic-oriented one in order to sustain the decision-making process. In the other narratives, the ways in which the conceived and lived space changed, led to the unfolding of a process of questioning, refinement and discovering of strategic patterns. In order to sustain the ongoing strategic discussions within board meeting accounting practices were routinized (i.e. annual business plan) and new management accounting tools were introduced (i.e. fixed costs budget or monthly variance analysis).

Research contributions, limitations and opportunities for future research

The use of a qualitative method (such as the case study) permits to obtain rich and meaningful findings which can be compared with extant literature in order to refine, challenge or advance the knowledge on a specific topic (Yin, 2003). By combining the empirical evidence of the case study with the theoretical insights

from the socio-spatial perspective of organizations, this thesis aims to bring multiple contributions to literature.

The findings of this thesis contribute to prior accounting and strategizing literature (e.g. Ahrens & Chapman, 2007; Brorström, 2017; Carlsson-Wall et al., 2015; Englund et al., 2017; Ezzamel & Willmott, 2008; Fauré & Rouleau, 2011; Jørgensen & Messner, 2010; Kornberger & Carter, 2010; Ozdil & Hoque, 2019; Tekathen et al., 2019) in several manners. They extend previous research which investigated how accounting enables strategizing by disentangling the relationship between accounting and strategizing and shedding light on the different roles that accounting can play in the strategizing process. Specifically, the findings show that accounting supported and generated strategy making within the organization by simultaneously shaping the way in which strategy was designed through plans and documents (i.e. the conceived space), practised through daily routines (i.e. the perceived space) and experienced and imagined by organizational members (i.e. lived space). Acting as a guide, as a means of problematizing, questioning and discovering, this thesis demonstrates that the role of accounting may not only change but also evolve, while other studies have tended to regard accounting role's as unchanged in relation to strategizing. The empirical evidence collected from the case study showed that from being a support for strategizing process, accounting became an "actor with transformative qualities" (Boedker, 2010, p. 613).

Then, the findings add new insights to extant accounting and strategizing literature which had focused on accounting's effects on strategizing (e.g. Fauré and Rouleau, 2011; Kornberger & Carter, 2010; Skærbæk & Tryggestad, 2010) by showing how strategizing and accounting mutually construct each other. The way in which accounting shaped the "strategy space" led to the unfolding of strategizing which in turn contributes to the evolution of accounting tools and practices in a dynamic and dyadic process of cross-fertilization. Thus, by demonstrating how accounting and strategizing feed each other through specific accounting tools, practices and roles and their interactions, the findings shed light on a topic which is rather disregarded in previous literature. In this way, the thesis advances Englund et al. (2017) which showed how accounting and strategizing may co-construct each other and called for more studies on the mutual interplay between accounting and strategizing with a focus on how they may cross-fertilize each other in a recursive manner. Finally, the findings of the thesis contribute to extant accounting and strategizing literature by shedding light on the subjectively experience of strategy through the concept of lived space (Beyes & Steyaert, 2012; Munro & Jordan, 2013; Watkins, 2005) which represents an aspect still overlooked in the accounting and strategizing literature but that could be useful in order to deepening the understanding of both the material and the social dimensions of strategizing.

The findings of this thesis also contribute to the strategizing literature (e.g. Hydle, 2015; Jarzabkowski et al., 2015). Specifically, they advance prior studies by

offering theoretical insights on the spatial dimension of strategizing. By drawing on the multi-layered and complex idea of social space that organizational researchers have elaborated on the basis of Lefebvre's (1991) *spatial triad*, this thesis theorizes the existence of "strategy spaces" for interpreting strategizing as a spatial accomplishment. In this way, the thesis offers a valuable lens for further investigating strategizing and its spatial dimension and particularly for shedding light on its material and social dimension. At this regard, the socio-spatial view of organizations offers a useful vocabulary to better understand the process of strategizing and its relations with accounting. Furthermore, this thesis contributes to studies which have investigated how constellations of semiotic resources may allow to co-create distinct spaces within which strategy work is performed (particularly Jarzabkowski et al., 2015). The findings of the thesis add to these studies by showing how accounting could be considered as one of these semiotic resources, since it contributes to the construction of "strategy spaces".

Finally, this thesis contributes to accounting literature which examine the performative role of accounting in constructing spaces (Busco & Quattrone, 2015; Carmona et al., 2002; Corvellec et al., 2018; Dambrin & Robson, 2011). While other studies have studied how accounting constructs a kind of space mainly understood as distance (or recently as space for discussions and interrogations, see Busco & Quattrone, 2015), the findings of the thesis contribute to these studies by

showing how accounting participates in the construction and recasting of a kind of space overlooked in extant literature which is the "strategy space".

The thesis also offers practical contributions. By examining the accounting and strategizing practices more in detail and their relations within Packs, this thesis provides evidence that can guide both top/middle managers and the members of the accounting department in the development of a fruitful relationship between accounting and strategizing. The evidence of the study also indicates how organisational actors can use accounting information in the decision making and planning process to support, construct and question the business strategy.

While the thesis has highlighted the significance of accounting tools and practices for strategizing and it has brought to the fore some complexities and features of the interplay between accounting and the everyday enactment of strategy, some limitations need to be acknowledged.

A limitation regards the main point of view from which the topic of the thesis is investigated. The most part of the interviews was conducted with the members of the accounting department. Thus, findings are developed more from the accounting's point of view rather than from that of strategists. However, the attention was voluntarily focused on accounting members and documents to better understand how accounting affected strategizing as a "an actor with transformative qualities" (Boedker, 2010, p. 613) and how, in turn, it was affected by the unfolding of the strategizing process.

Secondly, the case study was examined from a longitudinal approach which covered a long period of time (i.e. from the beginning of 2000s until nowadays). It must be acknowledged that retrospective errors about events happened in the past due to false memories could occur (Golden, 1992). However, in order to ensure the reliability of the story narrated by the informants and limit potential bias, the voice of different informants was heard, and each informant has been interviewed more than once. Furthermore, in order to triangulate the data and increase data trustworthiness (Guba & Lincoln, 1985), the interviews were compared with internal and external documents and, in case of conflicting versions, further explanations were asked on the narrated story.

From the last decade, accounting and strategizing literature is gaining momentum and there is clearly scope for further studies in this area. Future research could explore the role of accounting members in affecting the strategizing process through means of accounting devices and information. During all Pack's existence, the management accounting systems was strictly related to decision-making practices. In this fruitful relationship, an important role was played by the management accountant and the consultant since they worked in close contact with strategists (i.e. the Sales Directors) to support them, for instance, in the use of accounting tools. Thus, future research could focus on the role of these actors – often disregarded in accounting and strategizing literature – in the construction and evolution of strategy spaces, in order to further investigate the ways in which

accounting and strategizing can mutually interplay through the interactions between accounting members, artefacts and strategists.

The notion of "strategy space" illustrated in this thesis provides grounds for future research which could be aimed at investigating the complex entwinement between accounting and strategizing. For instance, further attention could be deserved to the unfolding and relational nature of strategy spaces. According to the socio-spatial view of organizations, space does not exist a priori, it is in a state of constant becoming as it results from the changing relationships between the social and the material dimensions (e.g. people, material artefacts and abstract conceptions) which constantly evolve (Massey, 2005). Future research could investigate how strategy spaces unfold, expand and evolve over time being consequential for strategizing.

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