



HAL
open science

Control and Change. Analysing the Process of Institutionalisation

Claire Dambrin, Caroline Lambert, Samuel Sponem

► **To cite this version:**

Claire Dambrin, Caroline Lambert, Samuel Sponem. Control and Change. Analysing the Process of Institutionalisation. *Management Accounting Research*, 2007, 18 (2), pp.172-208. 10.1016/j.mar.2007.02.003 . halshs-00170562

HAL Id: halshs-00170562

<https://shs.hal.science/halshs-00170562>

Submitted on 14 Mar 2010

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

Control and Change

Analysing the Process of Institutionalisation

Management Accounting Research
Volume 18, Issue 2, June 2007, Pages 172-208

(*)Claire Dambrin, HEC School of Management, Paris, 1 rue de la Libération, 78351 Jouy en Josas Cedex, dambrin@hec.fr, +33 139 677 294

Caroline Lambert, HEC School of Management, Paris, 1 rue de la Libération, 78351 Jouy en Josas Cedex, lambert@hec.fr, +33 139 679 565

Samuel Sponem, Groupe de recherche en Economie et Gestion, Conservatoire National des Arts et Métiers, 40 rue des Jeûneurs, 75002 Paris, samuel.sponem@cnam.fr, +33 661 481 879

*: Corresponding author

This paper studies the process by which a change in the institutional logic of an organisational field diffuses through the management control system of a firm. The theoretical framework proposed by Hasselbladh and Kallinikos (2000) enables us to describe the institutionalisation process of management control systems in more detail by observing how ideals are translated into discourses and control techniques. We argue that both the process by which institutional changes are implemented inside organisations and the process of decoupling are two aspects of the same issue. Revisiting core notions of new-institutional theory such as internalisation and decoupling, our findings question the systematic as well as the linear nature of the institutionalisation process. Empirical findings, based on a field study conducted in the French subsidiary of a pharmaceutical laboratory, highlight how the discourses of organisational actors contradict new ideals and control techniques. More particularly, it appears that, when a discourse cannot be heard, it can be partly bypassed using techniques. It is also argued that intra-organisational change builds on stable discourses and ambivalent technology, which foster insidious dissemination of the new institutional logics when “what can be done cannot be said”.

Keywords: change, institutionalisation, management control systems, decoupling, salespeople

1. Introduction

Neo-institutional research has demonstrated the importance of studying institutional factors, as well as traditional economic factors, in order to understand why Management Control Systems (MCS) change (Covaleski and Dirsmith, 1988; Abernethy and Chua, 1996; Granlund and Lukka, 1998; Brignall and Modell, 2000; Burns and Scapens, 2000; Collier, 2001; Modell, 2001).

In this paper, we draw on New Institutional Sociology (NIS) to address the issue of change in management control. We thus rely on a sociological and organisational approach to change (rather than on more functional economic views) and account for change through the institutionalisation process of new MCS. For us, NIS is a relevant framework because it enables us to show that MCS changes are driven mainly by institutional factors and not only by efficiency motives (Granlund, 2001). It underlines that organisations adopt MCS to appear well-managed and to be legitimated in their organisational field (Covaleski *et al.*, 1996). Therefore, NIS invites us to consider MCS as vectors as well as targets of change. Moreover, this perspective does not imply any moral judgement regarding change, being associated with neither progress nor regression (Burns and Vaivio, 2001).

However, NIS does not provide a perfect and absolutely critique-proof framework for studying MCS change. NIS focuses on dissemination models, remaining at a macro level (Hasselbladh and Kallinikos, 2000), and does not really explain the process by which institutional changes are implemented within organisations (Siti-Nabiha and Scapens, 2005). The effects of change through the MCS are also widely debated in this perspective. NIS theorists originally considered that institutional constraints were satisfied by decoupling the activity as it was presented externally from the activity as it really occurred (Meyer and Rowan, 1977), and conceived decoupling as a largely inherent attribute of institutionalised practices and organisations (Modell, 2003). In this perspective, the MCS are implemented to satisfy institutional demands and should not interfere with day-to-day activity in the organisation (Carruthers, 1995). On the one hand, some studies identify various decoupling phenomena (Ansari and Euske, 1987; Fernandez-Revuelta Perez and Robson, 1999; Siti-Nabiha and Scapens, 2005). On the other, Covaleski and Dirsmith (1988) deny any ability to decouple the MCS from the day-to-day activity because of their structuring impact. The question of decoupling has to be tackled to improve our understanding of change in a neo-institutional perspective.

In this paper, we consider that both the process by which institutional changes are implemented inside organisations and the process of decoupling are two aspects of the same issue. Both require an in-depth analysis of the problem of institutionalisation of MCS inside the organisation (Collier, 2001; Siti-Nabiha and Scapens, 2005). Indeed, the institutionalisation refers to both the implementation and the internalisation of new practices (Kostova and Roth, 2002) and institutionalisation cannot be completed in the event of decoupling (Meyer and Rowan, 1977). By analysing the process of institutionalisation carefully, we try to explain in depth what change is (Quattrone and Hopper, 2001). More precisely, this research endeavours to answer the following question: How is change in a given organisational field institutionalised in a management control system of a given firm?

To respond to our research question, we observe the institutionalisation process of a new institutional logic inside a firm in the pharmaceutical sector. Since the end of the 1990's, companies

in this sector seem to be changing their development strategies and are turning to modes of selling similar to those of the fast moving consumer goods industry (Panigyrakis and Veloutsou, 1999; Moss and Schuiling, 2003). This change characterises a new institutional logic in the sector, which may be driven by efficiency expectations but also by institutional factors (Scott *et al.*, 2000). In order to provide an in-depth understanding of the institutionalisation process at a micro level, our research deals with one firm: Antalgix. More precisely, we analyse how this laboratory has imported and incorporated MCS from the consumer goods industry. The case study is analysed from the angle of NIS. The theoretical framework of Hasselbladh and Kallinikos (2000) is used to understand changes resulting from the diffusion of the “consumer goods” logic in Antalgix. As suggested by these authors, we carefully study the ideals, discourses and techniques that deal with the diffusion of the institutional logic inside the organisation. Responding to criticism that a more comprehensive MCS should be studied (Otley, 1980), this study investigates a combination of controls including cultural, behavioural and output controls (Merchant, 1982; Merchant and Van der Stede, 2003). Three elements are specifically analysed: the management culture, the division of powers amongst the departments, and the principles of accountability (Abernethy and Chua, 1996).

Our empirical study shows that the process of institutionalisation is neither as systematic nor as linear as the theory suggests.

This research highlights decoupling phenomena, meaning that change does not always substantially modify the daily activity of organisational actors. In our case study, change is either slowly implemented or rejected by actors, or ceremonially accepted, depending on the element of the management control system under consideration. The decoupling of MCS can be an organisational response to institutional demand but also an attempt developed by internal coalitions to resist the new logic (Townley, 1997; Basu *et al.*, 1999; Burns and Scapens, 2000; Major and Hopper, 2005). Whatever its causes (if, in fact, there are any), the decoupling of MCS reminds us that organisational change stems from stability (Feldman, 2000; Feldman and Pentland, 2003). Indeed, in the pharmaceutical sector, stable practices conflicting with new ideals and techniques enable actors to cope with the evolution of their organisational field.

Indeed, according to Hasselbladh and Kallinikos (2000), the institutionalisation process is supposed to build on a new ideal that develops into discourses and then techniques. However, our findings show that the process of change is not as linear as presented. Ambiguous coexisting ideals can give birth to new discourses and techniques (all the more so when new ideals are sufficiently ambiguous to appear as non-conflicting with the former ideals). Moreover, when a discourse dealing with the new logic cannot be heard by organisational actors, this does not prevent control techniques that are coherent with the new ideal from developing, meaning that organisational taboos can be bypassed by techniques. However, our empirical findings suggest that the institutionalisation is not completed whilst ever ideals, discourses and techniques are not coherent. In this respect, we give an empirical echo to a core NIS notion: the need for internalisation¹ to enable intra-organisational change to develop fully. When ideals, discourses and techniques do not form a coherent and linear whole, as stated above, objectification, *i.e.* the visible side of the institutionalisation process, can occur.

¹ As NIS states, for an institutionalisation process to be completed, there is a need for internalisation (Kostova and Roth, 2002). New logics have to be objectified, but objectification does not exhaust institutionalisation (Hasselbladh and Kallinikos, 2000, p.712). A more invisible side of institutionalisation lies in the internalisation of these new logics by organisational actors, meaning the way actors understand their roles and enact them according to, against, or regardless of, these new logics.

However, in this case, subjectification, *i.e.* the invisible side of the institutionalisation process, is hindered.

The remainder of the paper is structured as follows. In the next section, we highlight the relevance of NIS to analyse organisational change and the role of management control systems in this respect. Then, we describe our research and data-gathering method. Sections 4 and 5 expose the case study background and our findings regarding the institutionalisation of a new logic in MCS in one pharmaceutical firm. Finally, the last section will be devoted to the discussion.

2. Institutionalisation and Change

Management control researchers have called upon NIS for almost twenty years to understand the development of control systems (Ansari and Euske, 1987; Covaleski and Dirsmith, 1988; Ansari and Bell, 1991; Covaleski *et al.*, 1993; Abernethy and Chua, 1996; Alam, 1997; Hoque and Hopper, 1997; Brignall and Modell, 2000; Collier, 2001; Sponem, 2004; Major and Hopper, 2005). These research papers share the postulate that “organisations compete not just for resources and customers, but for political power and institutional legitimacy, for social as well as economic fitness” (DiMaggio and Powell, 1983). This search for legitimacy may push companies to adopt organisational structures and practices for a “ceremonial” purpose rather than for the rational purpose of improving efficiency (Meyer and Rowan, 1977). This leads us to consider that accounting and control systems are also “ceremonial” tools and the product of a cultural rationalisation (Covaleski *et al.*, 1996).

The NIS framework suffers from its macro view of diffusion processes. However, NIS is very useful to understand changes that cannot be explained merely by efficiency motives. Our purpose is to contribute to this theoretical stream by providing a better understanding of the institutionalisation process inside organisations based on the framework proposed by Hasselbladh and Kallinikos (2000).

Analysing organisational change: NIS contributions and shortcomings

To understand organisations and their evolutions, NIS invites us to go beyond traditional approaches that consider an organisation as merely an aggregation of technical flows or as a production system (Scott and Meyer, 1991). In addition to this “technical environment”, NIS proposes taking the “institutional environment” into account, meaning the legal or cultural rules and obligations to which organisations are subject (Scott and Meyer, 1991). According to NIS, actors and organisations develop shared systems of meanings within an organisational field (*i.e.* the “sets of organisations that, in the aggregate, constitute an area of institutional life; key suppliers, resource and product consumers, regulatory agencies, and other organisations that produce similar services or products” (DiMaggio and Powell, 1983)). These collective beliefs are then objectified and thus “constitute social reality” (Greenwood *et al.*, 2002), creating institutional logics (*i.e.* sets of “material practices and symbolic constructions which constitute organising principles and which are available to organisations and individuals to elaborate” (Friedland and Alford, 1991)). Organisations are thus shaped according to the rules that are imposed on them, the expectations of the environment, and the cognitive patterns of the actors (Scott, 2001).

An institutionalised structure can be defined as a structure “that has become taken for granted by members of a social group as efficacious and necessary” and that “generate action” (Tolbert and Zucker, 1996). But how do we arrive at this outcome? DiMaggio and Powell (1983) outline three

processes –coercive, mimetic, and normative– through which institutional logics are diffused within organisations. Institutional logics can change by a process of de-institutionalisation, theorisation, diffusion, and re-institutionalisation (Greenwood et al., 2002). Thus, NIS gives us insights into how inter-organisational change diffuses, but little is known about intra-organisational change. As stated by Tolbert and Zucker (1996), we lack details on *how* the process of institutionalisation occurs *inside* organisations. NIS postulates that “actors become voluntarily isomorphic to [institutions] or that the institutions mould them involuntarily with little resistance” (Quattrone and Hopper, 2001).

Therefore, NIS studies are criticised for seeing the process of institutionalisation as a linear and inescapable phenomenon and for not looking at the way in which norms are imposed, or not, inside the organisation. In the very least, “there has been surprisingly little attention given to conceptualizing and specifying the process of institutionalisation” (Tolbert and Zucker, 1996). By focusing on the analysis of dissemination models, the empirical programme of this school of thought may not account for the institutionalisation process. This process is disembodied and depersonalised (Hasselbladh and Kallinikos, 2000). In recent years, a number of papers have tended to address this deficit by studying these very processes of change (Dacin *et al.*, 2002). However the institutionalisation process is still misunderstood and “institutionalization needs to abandon the bird’s eye view of the field, and come closer to the social and cognitive means and procedures underlying rationalized beliefs and schemes of action” (Hasselbladh and Kallinikos, 2000). This implies observing whether or not and the manner in which changes are translated into practices, and therefore investigating coupling and decoupling phenomena.

Coupling, loose coupling and decoupling

In the seminal paper of Meyer and Rowan (1977) there is an ambiguity about what institutionalisation is “because the definition of ‘institutionalised’ itself contradicts the claim that institutional structures are apt to be decoupled from behaviour” (Tolbert and Zucker, 1996). Abandoning the bird’s eye view and differentiating patterns of adoption of practices is useful to investigate empirically this inherent ambiguity (Kostova and Roth, 2002). *Active adoption* occurs when implementation (in behaviours and actions) and internalisation (when the employees view the practice as valuable and become committed to the practice) are completed (Kostova and Roth, 2002). In the opposite case, there is *minimal adoption* of a practice. When implementation occurs without internalisation, there is loose coupling or decoupling (Meyer and Rowan, 1977; Orton and Weick, 1990), and practices are adopted on a *ceremonial* basis (Meyer and Rowan, 1977; Kostova and Roth, 2002).

In the field of management control, we may ask whether adopting new control practices is uniquely ceremonial or whether it entails effective changes in practices. At an empirical level, several research papers highlight a decoupling phenomenon (Ansari and Euske, 1987; Fernandez-Revuelta Perez and Robson, 1999; Siti-Nabiha and Scapens, 2005). Conversely, other studies reach the conclusion that decoupling between the practices portrayed and internal working modes does not exist (Covaleski and Dirsmith, 1988; Basu et al., 1999). In a series of studies on the implementation of control systems in a crèche, a university and a hospital, Covaleski and Dirsmith show that changes in the control mode to satisfy the external environment generally have an impact on internal management (Covaleski and Dirsmith, 1983, 1988; Covaleski et al., 1993). This can be explained by the structuring impact of MCS. Finally, Collier (2001) suggests that accounting can act as a mechanism for loose coupling between legitimating and technical activity. Contradictory

evidence highlights the need for research into how the decoupling process occurs within organisations (Collier, 2001; Siti-Nabiha and Scapens, 2005).

Moreover, organisations are not simple receptacles for institutional norms; they have a strategic capacity to react (Oliver, 1991). Townley (1997) shows that setting up performance appraisals (a “rational myth”) in universities in Great Britain depends on the capacities of these universities to contest the legitimacy of such measures. Major and Hopper (2005) demonstrate that the power of workers is also a major issue concerning the implementation of new management control systems. Basu *et al.* (1999) and Brignall and Modell (2000) suggest that the level of decoupling depends on the relative power of external elements and on the power of stakeholders. In their case study, Siti-Nabiha and Scapens (2005) observe that decoupling is not an organisational response to external pressures, but “the working out of a process of resistance to accounting change”.

Stages of institutionalisation

In the field of management control, studying the diffusion of a change through control systems is often better documented and dissemination processes are made more explicit than in organisation theory (for examples, see Ansari and Euske, 1987; Covaleski and Dirsmith, 1988; Covaleski *et al.*, 1993; Abernethy and Chua, 1996; Collier, 2001; Siti-Nabiha and Scapens, 2005). We do not, however, have a tool at our disposal that enables us to outline the institutionalisation process and the decoupling process is still poorly understood (Siti-Nabiha and Scapens, 2005). In this respect, the analytical device proposed by Hasselbladh and Kallinikos (2000) can be useful to understand the institutionalisation process at work in an organisation. They suggest studying the institutionalisation process by observing the ideals, discourses and techniques of control (Hasselbladh and Kallinikos, 2000). Ideals, discourses and techniques of control are differentiated by their level of detail and accuracy and are mapped onto a continuum² (see Table 1). Therefore, “institutions are conceived as consisting of basic ideals that are developed into distinctive ways of defining and acting upon reality (*i.e.* discourse) supported by elaborate systems of measurement and documentation for controlling outcomes” (Hasselbladh and Kallinikos, 2000).

<<Insert Table 1 about here>>

The *ideal* refers to the *institutional logic* promoted inside the organisational field as already defined. A new ideal emerges mainly when events destabilise established practices (Greenwood *et al.*, 2002). The ideal has more chance of developing itself if it can be embodied in a firm or in an organisational field that constitutes a model (Tolbert and Zucker, 1996). Nonetheless, conflict between actors’ rationalities can impede this diffusion (Townley, 2002).

When ideals are developed and specified into elaborate systems of relationships and causal models, they are transformed into a *discourse*. A discourse is a way of defining and acting upon reality. It plays a central role in the institutionalisation process (Hasselbladh and Kallinikos, 2000). It is by means of discourses, and the elaborate systems of operations and techniques associated with them, that organisational goals and tasks are constructed. Discourses “single out a domain of application, define the relevant goals to be accomplished and the roles involved, spell out the criteria of truth and designate causal theories and schemes of action and interpretation” (Hasselbladh and Kallinikos, 2000).

² We differ from Hasselbladh and Kallinikos (2000) and the model they propose. For them, ideals refer to oral language, and discourse refers to written elements. We distinguish ideal from discourse by the level of precision rather than by the medium (which can be either written or oral).

Techniques embody discourse when it institutionalises. A *technique* is an elaborate system of measurement and documentation for controlling action outcome. It is usually expressed in numerical or other forms of codification (Hasselbladh and Kallinikos, 2000).

Finally, adopting a technique can remain a ceremonial act. The institutional process is completed when internalisation occurs (Kostova and Roth, 2002). In other words, objectification (*i.e.* the articulation of ideals, discourses and techniques) is one side of the institutionalisation process that needs to be completed by subjectification (*i.e.* individuals' enactment through role development) (Hasselbladh and Kallinikos, 2000, p.712). Therefore, the stages of an institutionalisation process can be schematised as presented in Figure 1.

<<Insert Figure 1 about here>>

We intend to use this framework to better understand organisational change. More precisely, this framework inspired by NIS is used in our paper as a device to analyse how inter-organisational change (new institutional logic in a given organisational field) can result in intra-organisational change (institutionalisation in one specific firm of a new MCS that is coherent with the new institutional logic).

3. Methodology

In order to enrich understanding of the institutionalisation process of management control systems, we conducted a case study on the diffusion of a new institutional logic in one firm. Our case study is used as a tool for theory development, considering that a “single case can represent a significant contribution to knowledge and theory building” (Yin, 2003). We use the theory in a “very loose fashion to guide the research”, as proposed by Vaughan (1992). From this perspective, the data can contradict or reveal previously unseen inadequacies in the theoretical notions guiding the research, providing a basis for reassessment or rejection; the data can confirm the theory; and the data can force us to create new hypotheses, adding more detail to theory, more fully specifying it. This method of theory elaboration can appear self-contradictory (Vaughan, 1992): “On the one hand, the examination of the data with theory elaboration as the goal is seen as a major building block of a positivistic science. And on the other hand, [this methodology] is grounded in the work of Blumer and Glaser and Strauss”. Our approach, like Vaughan's, differs from a positivistic tradition because testing and verifying are not part of our procedure. But it also differs from Glaser and Strauss's position because we reject the assumption that a researcher begins with a clean slate. We argue that a researcher's subjectivity is not a true problem, since “we are all producing orderliness in our writings, sequences of relationships [...] putting pieces together, picking and choosing to pay attention and ignore” (Calás and Smircich, 1999). What is more problematic in research writing, according to these authors, is unrecognised partiality, which leads them to advocate “modest narratives” that make researchers' partial choices clear: “Can we do our writing in a way that is ‘self-conscious’ of our ‘choices’?” (Calás and Smircich, 1999)

Collecting data to analyse the institutionalisation process in one firm

Drawing on our previous research³, we observed a shift in the institutional logic driving the pharmaceutical industry. Acknowledging this phenomenon was our primary motivation in writing

³ An analysis of the French pharmaceutical field is proposed in a case study hinging on semi-structured interviews conducted in eleven pharmaceutical companies, two leading providers of medical data worldwide and one pharmacy (Dambrin, 2005). An analysis of the institutional model represented by the consumer goods industry and the traditional

this paper. Since the end of the 1990's, more and more laboratories have imported control practices from the consumer goods industry. To understand how this changing logic in the pharmaceutical field becomes institutionalised within management control systems, data from one specific pharmaceutical laboratory has been collected.

Antalgyx⁴ is one of the leading pharmaceutical laboratories in the world. The laboratory posted a turnover of several billion dollars in 2003. To scrutinise the process of institutionalisation of new management control systems, we selected Antalgyx France because of its relevance to this issue⁵ and because of the opportunities of investigation through interviews that it offered.

Thirteen semi-structured interviews constitute the core data of our analysis of Antalgyx (Table 2)⁶. We interviewed all six management controllers at the headquarters of Antalgyx's French subsidiary. We also interviewed seven people from the sales branch: a sales director, one zone manager, one regional manager, two drug representatives, a sales administrator and a sales efficiency supervisor.

<<Insert Table 2 about here>>

Analysing the data from an interpretative viewpoint

As stated before, we consider management control systems as both a medium for and a target of the institutionalisation process. Management control systems are transformed by institutionalisation and at the same time they are the vectors through which the institutionalisation process can occur and can be observed.

Responding to a call for a more comprehensive study of MCS (Otley, 1980; Chenhall, 2003), we use a broad definition of MCS in this research. We argue that MCS is “a combination of control mechanisms designed and implemented by management to increase the probability that organisational actors will behave in ways consistent with the objectives of the dominant organisational coalition” (Abernethy and Chua, 1996), and investigate a combination of controls including cultural, behavioural and output controls (Merchant, 1982; Merchant and Van der Stede, 2003). Based on the recommendations of Otley (1980) and Abernethy and Chua (1996), we observe the *control mix* of Antalgyx. Leading on from Abernethy and Chua (1996), three elements of the *control mix* are more specifically analysed: the management culture, the division of powers amongst the departments, and the principles of accountability. The management culture of an organisation encourages the alignment of the values in the organisation (Merchant and Van der Stede, 2003). In our study, we consider management culture as the way the organisation sees its environment. The division of power refers to the dominant coalition in an organisation (*i.e.* the most influential group or department in decision-making). This is a fundamental element of the *control mix* since previous studies show that different professions control labour differently (Armstrong, 1985; Carter and Crowther, 2000). Accountability principles refer to the way individuals are made responsible and accountable in the organisation (Roberts, 1991). Accountability is at the heart of management by

control mix of this industry is presented in a case study based on interviews in four leading consumer goods multinationals (Lambert, 2005).

⁴ Antalgyx is a pseudonym in accordance with the wishes of the organisation concerned. We argue, as do Carter & Crowther (2000), that far from compromising the richness of the data collected, this actually serves to enhance the depth and scope of access since the organisation is assured of confidentiality.

⁵ In previous research mentioned above (Dambrin, 2005), Antalgyx was one of the eleven pharmaceutical laboratories under study. In our view, interviews with management controllers and salespeople from Antalgyx hinted at the importation of fundamentals from the consumer goods industry.

⁶ To guarantee confidentiality, all the names of the interviewees are pseudonyms.

objectives (Munro and Haterly, 1993), one of the functions of MCS. These three elements of the *control mix* structure our reading grid for analysing the MCS of Antalgix.

After having clarified what we want to observe, we shed light on how we processed the data collected from the interviews. Recordings of interviews were transcribed and coded for NUDIST NVIVO, a qualitative data analysis programme. This programme allows interview material to be coded line-by-line under the categories determined by the researchers. Codes can be drawn up from three obvious sources: existing research questions, theory, and empirical data; and more importantly, the interaction of these three elements during the conducting of research (Anderson-Gough *et al.*, 2005). We built a framework of nine codes inspired by our theoretical framework (the institutionalisation process according to NIS) and by the three elements of *control mix* we have chosen to observe. The coding framework has been elaborated by going back and forth from our theoretical framework to our analysis of the empirical data. Therefore, to analyse the institutionalisation process of the consumer goods industry logic at work in the management control system of Antalgix, we read our interviews according to the coding framework presented in Table 3.

<<Insert Table 3 about here>>

Ideals and discourses are mainly differentiated according to the data source involved and the level of analysis. Ideals are developed in journal articles, professional reviews, and annual reports. They deal with the organisational field. Discourses emerge from quotations by the individuals at Antalgix. Techniques are described using documents provided by individuals (reportings, performance measurement grids, *etc.*) and the comments individuals make on these documents. This data gathering on techniques is completed by the discourses of service providers in the pharmaceutical industry. We should also point out that, in our grid, techniques are not necessarily developed by the departments relating to them. For instance, recruitment strategies concerning the drug representatives may be directly decided by the sales department rather than by the human resources department.

Giving voice to people to enrich theory

Our coding framework not only simplifies the complexity and richness of ‘real’ speech collected during the case study but also account for partial choices. With this case study, we are not looking for an exhaustive representation of reality but rather for “the proxy to speak” in place of those who cannot tell the full story (such as interviewees) (Quattrone, 2006). This case study aims to give voice to people. How do they express their feelings about the evolution of their role in the organisation? How do they understand their organisation’s fundamentals? Do they find their place in light of these fundamentals? Do they appropriate change for themselves? And, more importantly, do they have a possible influence on this change of fundamentals? Indeed, with this case study, we intend to go beyond one of the major criticisms that can be levelled at neo-institutional sociological research: a disembodied programme, where the institutionalisation process is linear and precedes individuals, and where individuals, if present, are only there through a role. This intention falls within the scope of researchers’ calls for narratives which focus on human beings not with a view to normalising them but to highlighting their diversity (Quattrone, 2006). Giving voice to people certainly implies the risk of data not fitting perfectly into the theoretical reading grid that has been solicited, but we are convinced that theory development will result from these gaps between theoretical concepts and their more or less dissonant echo in the field. In this respect, the following

case study aims to enrich the comprehension of the institutionalisation process by accounting for people's behaviours and beliefs throughout this process.

4. Case Study Background

In the French pharmaceutical industry⁷, three market segments may be identified: "Ethical pharmacy" (grouping together products obtained with a medical prescription); Over-The-Counter (OTC) drugs (meaning products that can be provided without a medical prescription); and Generics (meaning drugs that have fallen into the public domain). Until now, ethical pharmacy has been highly constrained by its technically and institutionally specific environment in France.

First of all, the pharmaceutical industry is a highly regulated industry because it deals with the healthcare of the patient, but also because numerous interested parties are trying to reduce the cost of drug expenditure (Moss and Schuiling, 2003). In France, drugs are subject to administrative authorisation before being marketed. The notice of compliance granted on the basis of results from clinical trials has existed since 1972. It is regulated by the *Agence Française du Médicament* (the French Drug Agency). Drug prices are negotiated with the public authorities⁸ (Pignarre, 2003). Contrary to other countries, direct-to-consumer advertising (such as commercials) for prescribed drugs is totally forbidden⁹.

Secondly, the lifetime of products in the pharmaceutical industry is limited (patent expiry). A new drug is patented as soon as it is developed and the patent lasts, in general, for up to ten years before the notice of compliance is issued. After authorisation to market, the drug is protected for another ten years before falling into the public domain (legislation passed in 1968 and slightly modified in 1978) (Chauveau, 1999).

Finally, within the organisational field of ethical pharmacy, doctors and pharmacists represent an additional layer between the patient (end consumer) and the drug manufacturer (Moss and Schuiling, 2003). They are the prescribers, the purchasing advisors, who play a key role in the sales process. Nevertheless, the scope of the marketing techniques which can be used by pharmaceutical companies to persuade these prescribers is strictly limited by the law (Charrondi re, 2003).

The characteristics of the institutional environment explain the institutional logic of this sector: strong R&D, aggressive defence of patents, and a powerful sales force (Moss and Schuiling, 2003; Styhre and Sundgren, 2003). In the ethical pharmacy field, the resources allocated to R&D are considerable because identifying new drugs is seen as a key success factor ensuring high profit margins: "all activity focuses on inventing and legally protecting the inventions" (Pignarre, 2003).

Thus, in the organisational field of ethical pharmacy, the main institutional logic is to promote medical innovation. R&D and the sales department are the key departments and the main client targeted is the practitioner. As a result, the management controller's role is often limited to bookkeeping (Lambert, 2005) and the marketers are support staff at the service of the sales force (Dambrin, 2005) (see Figure 2).

⁷ France has 205,437 doctors, 22,000 pharmacies and 20,000 drug representatives (Sicart, 2003).

⁸ Such is the case in other European countries, whereas in the USA, drug prices are negotiated with Health Maintenance Organisations and private medical insurers.

⁹ Direct-to-consumer advertising for a drug is only authorised if this drug is not subject to prescription, if it is not covered by any mandatory healthcare insurance schemes, and if the notice of compliance or public registering does not include any restrictions with regard to direct-to-consumer advertising due to potential risks to public health (Article L5122-6 of the Public Health Code, legislation dating from 9th August 2004).

<<Insert Figure 2 about here>>

Finding inspiration in the consumer goods industry's experience appears to be increasingly critical in ethical pharmacy (Panigyrakis and Veloutsou, 1999; Moss and Schuiling, 2003). However, the technical and institutional environments of ethical pharmacy and the consumer goods industry are very different (Panigyrakis and Veloutsou, 1999; Moss and Schuiling, 2003). In the consumer goods industry, marketing and cost control are key factors of success. Products can exist forever if managed well (Moss and Schuiling, 2003). Innovations are primarily marketing innovations (Robinson and Fornell, 1985; Alessandri and Alessandri, 2004; Dupre and Gruen, 2004). As mentioned on Unilever's website, for instance, "in 2004, we invested over a billion Euros in research and development [compared to] €5.7 billion in advertising and promotions".

The consumer goods industry manages its brands with extreme care and invests most of its resources in developing brands¹⁰, which are considered major competitive tools (Moss and Schuiling, 2003). In this industry, management control is integrated into operational teams to ensure cost control at every step. Tandems or business teams, based on partnerships between controllers and brand managers, are set up and run like micro-enterprises (Lambert, 2005) (see Figure 3).

<<Insert Figure 3 about here>>

The logics of both sectors appear quite distinct. But professional publications (Panigyrakis and Veloutsou, 1999; Moss and Schuiling, 2003) and interviews in ethical pharmacy (Dambrin, 2005; Lambert, 2005) indicate that the principles of the consumer goods industry are disseminating in the basics of ethical pharmacy, accounting for a change in institutional logic. Indeed, since 1975, ethical pharmacy has increasingly faced a "pincer movement": R&D costs are doubling every five years whilst discoveries of new drugs that will generate strong turnover are becoming more and more infrequent (Moss and Schuiling, 2003; Pignarre, 2003). What results from this is an erosion of earnings-per-share for the twenty leading laboratories worldwide¹¹. In France, laboratories are additionally subject to increasingly stringent regulatory constraints¹². Manufacturers' margins for manoeuvre are being reduced and the traditional fundamentals of pharmaceutical marketing are undergoing an upheaval (Charrondièrre, 2003). Adopting the model of the consumer goods industry appears to be the remedy for this crisis. We may wonder as to the reasons that led ethical pharmacy in France to take this sector as a model. Two reasons may be put forward. Firstly, this sector already inspires in part the practices of the other market segments (OTC and Generics). Secondly, subsidiaries in countries with more flexible regulation are emulating this model.

Changes are presented as necessary for the efficiency of organisations in the ethical pharmacy sector. However, they also reflect the evolution of the cognitive institutional logic and the vision of what is a well-managed organisation in this field. The initial difference between the two models leads us to hypothesise that the shift from the pharmaceutical model to the consumer goods model implies a profound change in the institutional logic of the pharmaceutical sector. We may ask

¹⁰ The Economist, "The rise of the superbrands" (2/5/2005, p. 63-65)

¹¹ An earnings-per-share ratio of 28% for the shareholder from 1993 to 1998 compared to 4 to 5% since 1999. Source: The Pharma 2010 Study conducted by IBM Business Consulting Services (Lorelle, 2003)

¹² The sector's environment has become considerably tougher over the last few months, notably due to State budget legislation in 2002 and 2003 regarding: the application of fixed-rate reimbursement for a certain number of generic groups; the strengthening of regulation regarding promotional expenditure; the programmed termination of reimbursement for 650 products; cost-cutting measures announced for hospitals; and the rationalising of medication distribution (Charrondièrre, 2003).

ourselves how the changing institutional logic in the ethical industry develops inside firms within this organisational field. The next section presents the institutionalisation process of the new logic throughout the three elements of the *control mix* at Antalgix: the management culture, the relative power of the different departments, and the accountability principles.

5. An Untidy Process of Institutionalisation

To observe the process of institutionalisation at Antalgix, we have identified the ideals conveyed in the organisational field, but also how discourses and techniques develop within the organisation by looking at each aspect of the *control mix*. This leads us to take some distance from the linear nature of the institutionalisation process. Our findings also call into question the systematic and the exhaustive nature of the process. As stated above, individuals must internalise the new logic by themselves for institutionalisation to be complete. In this respect, we show that, far from being adopted entirely, the new institutional logic is not fully deployed.

5.1. Towards a different management culture: from innovation to replication?

The new MCS at Antalgix has first been analysed according to the management culture it conveys. Referring to data from the Internet sites of pharmaceutical trade associations and professional journals, it appears that the mission of ethical pharmacy is innovation. This ideal is highly ambiguous, and may be seen as serving the ‘market rationale’ as well as the ‘public health rationale’. At Antalgix, while a new discourse on profitability is emerging, the primary concern—developing innovative drugs—seems to remain unquestioned. However, marketing tools deriving from the consumer goods industry and dedicated to profit measurement and development are widespread and widely used.

An ambiguous ideal: innovation... or replication?

Traditionally, the sustainability of pharmaceutical laboratories depends on their capacity to innovate (Guannel *et al.*, 2003). Innovation is deeply integrated in the management culture of the pharmaceutical sector: it can be seen as an ideal in this organisational field. The *Pharmaceutical Research and Manufacturers of America* (PhRMA) and *Les Entreprises du Médicament* in France, share an almost identical mission statement:

“PhRMA's mission is to conduct effective advocacy for public policies that encourage discovery of important new medicines for patients by pharmaceutical/biotechnology research companies” (<http://www.phrma.org/>)

As a consequence, the goal of pharmaceutical laboratories is to develop what are called “blockbusters”: particularly innovative drugs. Such an innovative drug must generate significant revenues (*i.e.* an annual turnover of 1 billion euros or more) to finance future research.

Today, the pace of innovative drug rollouts is decreasing considerably and steadily, making the development of blockbusters an increasingly challenging issue (Moss and Schuling, 2003). The average number of drugs marketed by each big group has shifted from 12.3 over the period of 1991-1995 to 7.2 over the period of 1996-2000¹³. As a result, the genuine differences in competing products’ clinical data are getting smaller (Moss and Schuling, 2003) and laboratories are looking to create blockbusters from non-innovative products. A blockbuster—even a non-innovative one—

¹³ Jacques Delort and Arnaud de Bertier, Associate Directors at McKinsey (cited by Ducruet, 2002)

is legitimised by its contribution to financing research. The blockbuster is becoming a fundamental element in laboratories' institutional communication policy.

With the decrease in innovation, success no longer tends to result in the capacity to innovate but in the capacity to convince stakeholders that the firm has innovated. Communication policies are spreading throughout the research process. Laboratories depend on shareholders to finance increasingly costly R&D and on the State to obtain notices of compliance for their innovations. They must therefore persuade stakeholders of their potential to innovate by communicating on the number of drugs under development. Indeed, financial analysts pay almost exclusive attention to a laboratory's pipeline before making buy/sell recommendations for the company's shares (Pignarre, 2003). Laboratories must also persuade the State of the innovative character of the drugs they seek to market. With this in mind, they are multiplying the number of clinical trials on these drugs because a clinical trial allows them to prove that the drug being tested is superior to any previous drug¹⁴. Drews correlates the lack of 'real' innovation of pharmaceutical laboratories to their growing concern about commercial and financial issues (Drews, 1998). Finally, it seems that communication on innovation is supplanting innovation itself.

The ideal of the management culture remains innovation. Yet the nature of innovation seems to be changing. We observe a slow shift from a logic of medical innovations to a logic of marketing innovations. The primary goal of pharmaceutical laboratories—innovation—appears to be evolving towards a desire to *communicate on innovation*. Research is thus placed at the service of the marketing process: the essential challenge is no longer to innovate radically but to make the innovation appear to be radical¹⁵. This leads to a logic of replication and adaptation of existing products, similar to the consumer goods industry.

The slow emergence of profitability in the discourse

The ambiguity of the ideal of the sector is translated in the discourse within Antalgix.

Developing a discourse on profitability is particularly judicious since it is compatible with both innovation and replication ideals. Depending on its audience, Antalgix communicates on profitability either as a means to enable innovation or as an end in itself, justifying a replication logic.

On the one hand, Antalgix's institutional communication portrays research in the lead role. Antalgix's Internet site presents the laboratory's mission as being "focused on turning good ideas into innovative, effective medicines that make a real difference in important areas of healthcare" and not as the sale of drugs. This mission statement not only constitutes an element of external communication but is also present in the representations that employees have of the strategic positioning of the group:

We are in the ethical business. We focus on high added values, we are not going into generics, and we

¹⁴ The pharmaceutical industry was initially reluctant to accept the obligation of clinical trials. It turned the situation to its favour by specialising in this type of study. Initially designed as a means for the State to control the pharmaceutical industry, clinical trials have been integrated by the pharmaceutical industry into the core of its business. The system of clinical trials is a brake on innovation and "is (slowly) killing the goose that lays the golden eggs", because "clinical trials put a premium on inventing successors at the expense of radical novelties" (Pignarre, 2003).

¹⁵ For instance, the Fournier laboratories did not hesitate to bring out a new version of their 160mg Lipanthyl product as soon as the 67mg and 200mg packs fell into the public domain. Astra Zeneca slightly changed the formula of its fetish anti-ulcer drug, Mopral, which, with Inexium, is the best selling drug in France. Even though any improvement in medical treatment provided by this new drug was deemed "minor" by authorities, the modified drug will no doubt enable the laboratory to hold its market share for another ten years (Croissandeau, 2002).

are not going into OTCs. [...] We have embarked on a strategy of discovering new drugs [...] it is not the same strategy as for generics where we wait for the drug's patent to expire in order to take the drug and copy it. (Alain, Management Controller, Subsidiary, Antalgyx)

The ethical market appears through these remarks as the most noble of the sector's three strategic business segments. The label "ethical", referring to products provided uniquely on medical prescription, helps to foster an ideal of a corporate citizen committed to improving public health. Moreover, some interviewees mentioned that talking about money was considered, to a certain extent, "dirty". If we add to this the imperative to innovate that is characteristic of the ethical market, we understand why controlling costs, one of the key factors of success in the consumer goods industry, may be presented as a minor concern.

Personally, I think that there is still so much money in the pharmaceutical industry that we can afford to lose some. (Matthieu, Management Controller, Business Unit, Antalgyx)

On the other hand, there are signs of an emerging issue of profitability in our interviewees' discourse. Some, like Cyril, legitimise this evolution through a temporal dynamic:

Today, problems in [the market of] ethical drugs have changed. The mindset is more rational and leans towards profitability. (Cyril, Management Controller, Business Unit, Antalgyx)

Others suggest a reading in terms of coercive isomorphism. Shareholders set the norms of profitability for organisations.

There is one very classical external phenomenon, which is the logic of shareholders and governance partners. For shareholders, until very recently, we were raking in such a margin that they were happy with what they got. Now, they are starting to ask questions. And the market is also shrinking and everything is tightening up. The big groups, even if they are very profitable, are going to be compared to each other, so of course, it will be the most profitable that wins. [...] Everything is moving towards a consumer goods logic because it's what the market wants. We are going to have policies for communicating with our shareholders that will tend towards logics of the consumer goods industry, so we will have reactions of this type. (Matthieu, Management Controller, Business Unit, Antalgyx)

Discourse that can be related to the management culture of the organisation thus remains ambiguous. On the one hand, it appears that the ethical aspect of the business remains unquestioned, and unquestionable, but on the other hand, some actors also underline a growing and unavoidable emerging question of profitability.

Therefore, Antalgyx is very careful when developing a discourse on profitability because of conflicting interests between stakeholders (the State vs shareholders). When addressing patients or governmental organisations, Antalgyx claims that identifying innovative molecules is its priority. It does not emphasize the commercial success that these innovations will obviously bring, since it would conflict with these stakeholders' interests. At the same time, shareholders only want to hear about profitability.

Shareholders are those who limit long-term investments. They are so focused on immediate profitability... A good study on heavy pathologies costs several million euros in investment, generating results in 5 years. It's difficult with the shareholders... However, only big companies like us have the funding to conduct intensive research. We are innovative only because shareholders provide us with funding. But we are also fragile, because if we do not put profitable drugs on the market regularly enough, the house of cards will fall down. (Julien, Regional Manager, Antalgyx)

Therefore, discourse on profitability enables the conflicting ideals of innovation and replication to coexist.

Marketing techniques imported from the consumer goods industry

The marketing techniques used reflect a new representation of business fundamentals. By employing these marketing techniques, Antalgix is sliding from a logic of innovation towards a logic of replication. Even though research into new innovative drugs remains of paramount importance, the regular and minimal earnings demanded by shareholders are ensured with the help of techniques for optimally exploiting the portfolio of existing products.

Amongst these techniques, several consist in slightly altering the existing product (a different dosage or formula):

We have a product that is about to fall into the public domain. So we are launching Criter, which is a product that is very similar, and hope that it will help to check this shift into the public domain. (Cyril, Management Controller, Business Unit, Antalgix)

The objective here is clearly not linked to an ideal of innovation but rather to an ideal of replication. Antalgix is willing to reduce its losses linked to the shift into the public domain by launching a product very similar to the old one. In order to obtain the authorization to market, Antalgix must persuade the State of the innovative character of this so-called “new” drug they seek to market. Here, rather than making investments in the uncertain development of new molecules, Antalgix spends its money on clinical trials to prove that the drug being tested is superior to any previous drug.

Other techniques stem from marketing: the product portfolio is changed, without altering the products, by purchasing, selling or sharing drug formulas.

Personally, I've worked on proposals for co-branding, with another laboratory. It's the same drug and the same product. One of the laboratories owns it and we are actually going to market it under two different names. The advantage of doing co-branding is that we have greater market share. This is because laboratories, in general, have expertise in certain treatments—cardio, cancer, etc. [...]. It's like Renault and Peugeot. It might be attractive to capitalise on the clientele pool of another laboratory to enter a market. (Alain, Management Controller, Subsidiary, Antalgix)

Techniques are also developed in order to measure the profitability of new marketing strategies and, more generally, promotional operations. Here again, resources are spent on techniques linked to the replication ideal rather than to the innovation ideal. These techniques, based on the panel principle, first emerged in the consumer goods industry¹⁶. For instance, IMS Strategy Evaluator is a recent tool that illustrates this desire to measure the efficiency of promotional operations:

Today, we are capable of measuring the performance of doctors who are dispersed geographically but share the common feature, for example, of having been targeted by a public relations initiative, of having taken part in a phase IV study or in a conference at the same time. We dispose of cumulated data on doctors who share this common trait. For the first time, the pharmaceutical industry has a real measurement tool at its disposal for measuring the efficiency of promotional operations. And today, this is the major issue facing all industry leaders. (Gontran, Managing Director, IMS Health)

Finally, laboratories are increasingly investing in “communication on products” for a wider public. The patient now represents an unavoidable target. This is illustrated by the use of new communication tools with the development of toll-free telephone numbers and theme-based Internet

¹⁶ Icomed is a tool for analysing medical prescriptions; the CAM measures the return on investment for specific operations. These two techniques are based on a survey of a panel of doctors. Xponent and Thales are databases that link the medical prescription to the geographical location of the prescriber. These two tools are updated using data regarding the prescriptions bought within a more or less broad sample of doctors (10,200 pharmacies for Xponent, 1,000 doctors for Thales).

sites and the development of general public communication campaigns enabling Antalgix to reinforce institutional communication whilst directly targeting the general public.

Marketing techniques are clearly linked to the emerging ideal of replication. In this element of the control mix, it thus appears that a new ideal is developed into techniques without being explicitly echoed in discourse. As we have seen, Antalgix wishes to keep an ambiguous discourse on profitability that can be heard by all audiences. Therefore, discourse cannot be a basis for developing techniques in the case of management culture.

Internalisation of the new management culture?

The internalisation of the new management structure is called into question here with regard to two aspects: the change in the representation of the key success factors amongst individuals at Antalgix, and the active use of tools linked to a consumer goods management culture.

People at Antalgix do not all fully adhere to the change in management culture. On the one hand, management controllers are actively diffusing the “credo” of profitability, especially for gaining power.

With project supervisors, we played nimbly on the international context. [...] We managed to pull the wool over their eyes by saying, “But you realise that we are moving towards the consumer goods industry, so the financial logic is more and more omnipresent”. What’s more, we were swimming in it everyday. Everyday, the CEO was asking for more and more figures and the like. (Matthieu, Management Controller, Business Unit, Antalgix)

Yet, on the other hand, it remains clear that, within the sales department, Antalgix is not, or should not behave like, a consumer goods industry.

Here, we invest a lot of money in R&D. We are very discrete on marketing, at least as far as institutional communication is concerned. [...] We don’t sell any consumer goods products; we are focused on products requiring a medical prescription. (Felix, Drug Representative, Antalgix)

Antalgix is a marketing company. The problem here is that they give too much priority to marketing. (Julien, Regional Manager, Antalgix)

With regard to tools, it appears that the logic of return on marketing investment is just starting to emerge in the income statement:

Previously, analysis that we conducted internally of the whole product range just looked at turnover. Now, we are going to do P&L, monitoring the return on investment on marketing expenditure, and so launch the logic of ROI in the company. For the time being, it is not at all structured, because, in fact, it is like facing a virgin forest in which you’d like to build a floral garden. (Matthieu, Management Controller, Business Unit, Antalgix)

And sometimes, ratios seem to be mimetically adopted without any adaptation. The ceremonial dimension of these tools appears clear: whereas institutional communication meets the expectations of shareholders, internal management may ignore these pressures.

The ratio they use here, which is visibly their contribution rate (marketing costs divided by sales) is, for me, like dealing with apples and oranges. It doesn’t make sense [...]. Because there is no logic. (Alexandre, Management Controller, Business Unit, Antalgix)

In conclusion, two ideals coexist: one concerns innovation, the other replication. The discourse on profitability and profit smoothing is developing only tentatively. In contrast, marketing techniques inspired by the consumer goods industry are becoming widely used. Nevertheless, these techniques are used in a ceremonial way when it comes to “truly” operational levels and performance evaluation, *i.e.* they are merely pointless and meaningless copies of what is done in the consumer

goods industry. A loose coupling is thus observed and institutionalisation is far from completed. We also observe that the process does not appear linear, in a top-down movement from ideals to discourses, but rather it acts in the organisation through techniques.

5.2. Towards a reshuffling of the trump cards: the rise in power of the marketing and management control departments?

After observing the management culture at Antalgix, the change of MCS is analysed according to the division of powers amongst the departments, *i.e.* identifying the dominant coalition within the organisation. Due to legal and professional regulation, the institutional logic of ethical pharmacy tends to take for granted the mediated relationship with the end consumer, namely the patient, and the dominant position of the ‘visiteurs médicaux’ (drug representatives) within the organisation. In France, drug representatives are organised into a profession¹⁷. But a new ideal seems to be emerging: the pharmaceutical sector seeks to get direct access to the patient and thus to bypass doctors and drug reps. This leads to key actors having a representation of the purchasing relationship that is very close to that of the fast moving consumer goods industry. Furthermore, when observing changes in recruitment initiatives targeting marketing profiles, it appears that, once again, the process of institutionalisation of the new logic is essentially led by techniques. Indeed, discourse within the organisation actually shows that the importance of the sales department remains unquestioned. Institutionalisation is not completed since the dominant sales department maintains its power in decision-making and manages to keep the management controllers at arm’s length.

A new ideal: bypassing the doctor

Compared to other countries, the marketing policies of pharmaceutical laboratories in France are subject to a particularly restrictive regulatory framework (Charrondi re, 2003). The law constitutes a strong coercive force in this sector. In the ethical sector, the only prescriber is the doctor who alone can judge which drugs are most likely to meet the patient’s medical needs. Regulation puts a brake on laboratories’ marketing expenditure that targets patients directly. Due to this tight regulation, the role of drug representatives is all the more crucial as they are the favoured channel of communication and promotion at the laboratories’ disposal to make their products known and stimulate their sales¹⁸. As a result, drug representative visits in France represent on average 70 % of a laboratory’s total expenditure on promotion, whereas in the United States, distributing free samples and ‘Direct To Consumer’ promotions alone have captured almost 70 % of promotional investment (Charrondi re, 2003).

¹⁷ There is an indispensable know-how to doing the job as public health legislation stipulates. Drug reps are, “persons who provide information or conduct prospecting for medical treatment [and] must possess sufficient scientific knowledge certified by a diploma, title or certificate that is included in a list drawn up by the administrative authority”, article L5122-11 of the French public health code. The Public Health Law of 18th January 1994 specifies that the drug representative must possess a national diploma for drug representation, a university degree or a medical degree provided by certain faculties of medicine, pharmacy or science.

¹⁸ Amongst the means used to inform the prescriber, Pignarre quotes presentations given by drugs representatives (whose network is strengthened by calling on external service providers, notably to improve the implantation of new drugs), invitations for prescribers to information meetings, proposals by drug reps to the doctors to conduct remunerated studies, offers to participate in phase 4 clinical trials, and invitations to conferences, dinners, *etc.* All of these means hinge on the drug representative (Pignarre, 2003).

Anticipating a market and legal shift towards an institutional environment similar to that in the United States, pharmaceutical firms believe that this sector will progressively become closer to the consumer goods industry. New forms of promotion are emerging or being strengthened (Charrondi re, 2003). Huge investments are being made in direct communication with the general public. In its annual reports, Antalgylx increasingly emphasizes the key role of marketing. The space dedicated to marketing policy expanded from one paragraph in 2000 (about 208 words) to one page in 2004 (more than 900 words) while the space dedicated to R&D remained the same. The annual report also underlines that Antalgylx invests a significant amount of money in direct-to-consumer advertising whenever it is possible. This increased focus on marketing and promotional issues is associated with a greater emphasis on performance and effectiveness in Antalgylx's annual reports (for instance, the word "performance" appears 112 times in 2000 compared to 220 times in 2004). Traditionally, the development of cost-effective marketing policies is supported by "business teams" based on partnerships between controllers and brand managers. These tandems become key decision-makers, as is the case in the consumer goods industry.

The rise in power of the marketing department is totally dependent on the ability of the industry to neutralise the power of the doctor and directly target the end customer, the patient. This increase in power is not an ideal *per se*, but it may be a sign of the decline in the power of the sales force, which is seen as both very costly and much more difficult to evaluate and control than marketing tools are.

The sales department remaining the key department: discourse and taboo

In the discourse, the dominant department clearly remains the sales department. The new ideal of bypassing the doctor imitates the style of organisation that can be found in the consumer goods industry, where controllers and brand managers constitute the key teams in the organisation. This new ideal is absolutely not developed in the discourse: such a reshuffling of the trump cards is a highly taboo subject as any change in the power relationships would be.

The emergence of the consumer goods industry logic finds expression in the willingness to set up a partnership between marketing and management control, a key success factor in the consumer goods industry. Yet, within pharmaceutical laboratories, scientific knowledge held by the commercial departments in the broadest sense of the term (marketing and sales) creates an asymmetry of power in relation to the support departments. The latter are considered illegitimate to intervene in the backyard of the "scholarly" departments.

I don't see how we could entrust things as controversial as drugs to people other than doctors or pharmacists or chemists. I think that we should remain humble in our relations with operational managers because the expertise is more on their side. (Alain, Management Controller, Subsidiary, Antalgylx)

Thus, the repositioning of management controllers as partners of marketing is rationalised using changes in the environment, whether real or alleged. The construction of the role of partner is based on the development of a different relational network. Management controllers aspire to have dialogue partners who are as good as those they may find in the consumer goods industry.

We no longer communicate with the assistant. We now communicate with the product or product-line manager. Personally, I tend to want to communicate with the product-line manager alone, because, in a consumer goods logic, he is equal to the product manager. (Matthieu, Management Controller, Business Unit, Antalgylx)

However, we should keep in mind that the repositioning of the marketing and control departments is a highly taboo subject. Indeed, if the top management were to develop discourse on this change, it would immediately face a drop in the motivation of the sales teams, which would interpret these changes as a loss of their power, influence and recognition within the firm. For this reason, the ideal of partnership between management control and marketing, likely to make the predominant position of the sales department more vulnerable, is rather sustained by techniques relating to the interaction between the departments: recruitment, participation in meetings, and spatial location.

Using HRM techniques to support the institutional logic of the consumer goods industry

The diffusion of the consumer goods industry logic entails modifying recruitment and promotion strategies. The first change in terms of recruitment deals with the scientific profile, which becomes secondary for both drug rep and marketing recruitment. In the marketing department, recruits formerly trained in pharmacy and medicine are today being replaced by young business school graduates with additional training in the form of a master's degree in managing pharmaceutical companies.

There are people freshly recruited in marketing who want to bring about innovation and others in management control with new logics and who may come from consumer goods or elsewhere. So management control is playing a role in the teams. (Matthieu, Management Controller, Business Unit, Antalgix)

This type of recruitment helps to create a partnership between marketing and management control. But these changes in recruitment echo promotion strategies in the sales department. Sales managers are increasingly recruited from the marketing department.

For instance, our hospital manager comes from marketing after three months in sales and he thinks he knows it all. He reorganised us into three Business Units. The three managers all come from marketing. In each BU, only one sales manager comes from sales. Here, our head is neither a salesman nor a communicator but a conceptual marketing man. They co-opt each other because they understand one another. (Julien, Regional Manager, Antalgix)

In addition, management controllers at Antalgix are overwhelmingly hired from leading companies in the consumer goods industry. Once again, "creating a common language", *i.e.* the language of profitability as opposed to the language of science, is the main objective.

The idea was to change the way others think by bringing in people from outside. Nathalie [management control director] sought to rebuild her team with this logic in mind because that is what she was asked to do. She went and hired Matthieu. They both came from Unilever; both were in detergents... I came from Henkel. We speak the same language. We are from the same school. We have the same ways of doing things. The idea is to have people from outside pharmacy who are not in the habit of saying: "We've got loads of money." (Alexandre, Management Controller, Business Unit, Antalgix)

Recruiting candidates from the consumer goods industry transforms management controllers into vectors for introducing and disseminating a new logic. They are settling in operational units whereas, traditionally, support functions were separated from commercial functions at the Antalgix head office. Thus, management controllers are attempting to increase their proximity to operational managers in order to foster partnership between the management control and marketing departments.

When we have a position as "operational management controller" like Cyril or Matthieu, we spend 40% of our time in information meetings, for our own benefit, but also to increase our power in terms of culture. (Annabelle, Management Controller, Subsidiary, Antalgix)

Until today, management controllers were not invited to these meetings, but by asserting themselves, they are now developing a social system of nodes within operational teams.

Although the sales department remains influential, signs of a reshuffling of the trump cards are appearing through the emergence of a partnership between the management control and marketing departments and the recruitment of “less scientific profiles” in the sales and marketing departments. Behind this partnership looms the rising power of a new conception of accountability.

An observed decoupling: the management controllers held at arm's length

The partnership between marketing and management control that purports the ideal of a direct access to the patient should represent a threat for the traditional supremacy of the sales department: by recruiting management controllers with consumer goods industry experience, Antalgix has developed and promoted a new function inside the organization that might dethrone the sales department: the new coalition is considered as the vector for change (and not the salespeople) and in order to implement that change, more pressure is expected on salespeople activity as we will see in section 5.3.

As a result, according to management controllers, candidates for power themselves, the sales department's supremacy is not questioned at all.

I tend to say that the management of sales is an entity in its own right, a State within a State. You realise that there are games being played between head office and the sales department, through perks and windfall bonuses tied to sales. But this over-performance is perhaps also tied to the work of the marketing department that won't receive any one-off perks. The sales department has a lot of power. And that is very interesting from a behavioural point of view. The drug representative finds himself in already conquered territory more than any other sales representative. (Matthieu, Management Controller, Business Unit, Antalgix)

The drug reps' favoured relationship with the prescribing doctor in conjunction with the difficulty in assessing end-consumer purchases conspire to make the sales department supreme within the organisation and puts into perspective the contribution of the marketing department.

Two elements determine the singularity of the drug representative's visit compared to sales departments in other sectors: the complex nature of the product, and the key position of the drug representative in the sales circuit.

The drug representative can link his work to the products that are launched. If he doesn't make a visit, no products are sold. In a hypermarket, if the sales rep doesn't visit, products are still sold because everything has been negotiated at a national level and there will be sanctions if it isn't the case. [...] Furthermore, he doesn't really have any knowledge of the product. To sell a washing powder, you don't need to know how the product is chemically made [...]. The drug rep, on the other hand, has to know a minimum about the drug so that there are enhanced relations with the doctor. Drug reps are also obliged to follow training programmes that lead to a diploma, which gives them a certain legitimacy. (Matthieu, Management Controller, Business Unit, Antalgix)

Other signs of decoupling appear quite clearly, since those who have been designated vectors for change (i.e. management controllers) seem to be held at arm's length from the information required for decision-making relating to the new institutional logic. Management controllers, who bring with them the problematic of profitability, are one of the levers of change in institutional logic. The interactions that they succeed in establishing with operational managers are a key instrument in spreading new management principles. Yet, at Antalgix, these interactions are limited to the highest

levels of the hierarchy. With regard to the sales force, the quotations below show that operational managers in the field are not part of a dialogue with management controllers¹⁹:

Relationships with management control are only at the level of sales directors, not below. We don't have any vision of this. (Julien, Regional Manager, Antalgix)

My favoured interlocutors in the sales department remain the senior managers of drug representations. I am supposed to go as far as zone managers, but to get to this level, I will communicate with the senior managers at the drug representation level because they see each other regularly. In the future, we will seek to get to the level of regional directors, in meetings, by giving them the overarching principles. (Matthieu, Management Controller, Business Unit, Antalgix)

In the latter verbatim, the management controller's desire to interact with the sales force in the field is manifest. However, this desire is contrary, so it seems, to the organisational choices that translate into keeping management controllers at arm's length. For instance, management controllers are surprised not to have at their disposal the totality of data that would enable them to bring added value to the operational level.

What people here call P&L is not quite that for me. I simply see sales and marketing costs [...] In fact, I think we are in a fairly political milieu. Off the cuff, I find it hard to imagine that controllers who are working in a business sector do not know the margins that enable them to have discussions with operational managers. (Alexandre, Management Controller, Business Unit, Antalgix)

This desire to keep the management control department in the role of a staff function also translates into terminating management controllers' participation in reviewing budgets. In light of this decision, the message conveyed to operational managers is therefore that management control is not to intervene in their core activities.

To conclude, there is a desire to shift the ideal towards a direct relationship with the patient and the bypassing of both the doctor and the drug rep. Yet, the discourse on a reshuffling of the trump cards within the organisation remains totally taboo. In order to promote this shift, new recruitment policies are developed. Once again, the process does not appear linear, in a top-down movement, but rather works in the organisation through techniques. However, when it comes to day-to-day activity, it seems that the sales department retains the right to have the final say in the decision-making process. In this part of the *control mix*, a decoupling is also observed and institutionalisation is not completed.

5.3. Towards new roles of accounting: a shift in accountability principles?

Accountability principles, being the last element of MCS we scrutinised, are equally evolving when confronted with the logic of the consumer goods industry. The first shift in accountability principle ideals relates to the decreasing importance of the drug representative's scientific skills. The drug representative was until recently the key actor in the relationship with the doctor. In this configuration, the drug representative was held responsible for the accuracy of the scientific message conveyed and the volume of sales. The new ideal is to promote a more managerial conception of accountability, focusing on efficiency measurements, and drastically reducing drug reps' autonomy. Result-based control, the mainstay of sales representatives in the pharmaceutical industry, is gradually being complemented by a behaviour-based control. The second shift in the

¹⁹ The structure of a sales force includes a marketing and sales director who supervises three sales directors, each having zone managers under his or her responsibility. Only at this level do operational managers then appear: regional managers and drug representatives.

accountability principles ideal relates to a change in the targeted consumer: the drug representative is held decreasingly accountable for persuading the doctor to prescribe, but increasingly accountable for the purchasing behaviour of the patient. These new ideals are supported by a discourse requiring a greater level of efficiency and transparency from drug representatives. The new ideal of assessment is partly deployed by means of an ambivalent use of activity reporting, and the fine-tuning of assessment and performance remuneration techniques. However, the internalisation of the new norms is not complete, due to legal constraints regulating the profession as well as reluctance from the drug representatives themselves, supported by their hierarchy that is still powerful enough to resist the shift.

A new ideal: from a professional vision to a managerial conception of accountability

The assessment logic in the pharmaceutical industry is witnessing a growing interest in managerial ideals to frame behaviours in the sales force. The 2004 Antalgix annual report states that “the company is committed to maintaining a dynamic performance culture in which every employee champions the growth of shareholder value [...] In order to achieve this, remuneration policy and practice is designed: to closely align individual and team reward with business performance at each level; to encourage employees to perform to their fullest capacity, and; to align their interests with those of shareholders”.

This leads to a clear shift in how the job of the drug rep is seen. While the business is increasingly perceived from a marketing mindset, the seller side of the drug rep’s job is emphasised to the detriment of its scientific side (Friedmann, 2005).

In addition to this, the end consumer (*i.e.* the patient) is gradually being taken into account in performance measurement criteria. As is the case in the consumer goods industry, the sales representative’s performance is no longer assessed based solely on “sales in” (sales to the distributor, given by the GERS) but also on “sales out” (sales to the end consumer, calculated using new tools such as XPonent²⁰). The drug representative is also made increasingly accountable for the patient’s act of purchase as suggested by the CEO of one leading tool provider for measuring the pharmaceutical sales force performance.

For the GERS, the representative’s performance is what pharmacists order. We say that that is not the most accurate way of assessing a representative’s performance. So we have chosen a different methodology that gathers information when patients exit the pharmacy, meaning the patient’s act of purchase. For the first time, we are really capable of saying: “the drug representative’s real performance consists of the products prescribed by doctors whom he has visited, but which were then also bought at the pharmacy”. (Gontran, Managing Director, IMS Health)

Today, the drug reps’ activity (meaning the number of daily contacts, compliance with the target list, *etc.*) is increasingly part of bonus criteria in tools proposed by service providers. A shift can be identified in the message conveyed to the sales force regarding data gathering designed to fine-tune the vision of performance. Laboratories are acquiring these tools with, alongside other objectives, the aim to give impetus to change in the assessment culture. This desire to assess and identify the *exact* performance of the drug representative can equally be deployed in payroll systems.

Laboratories are increasingly priming their sales forces to target doctors. The reps will therefore only have to go and visit doctors who head office decides must be seen if reps want to attain their bonuses. If the rep wants to continue seeing his good friends, he’ll do so. But if this good friend is not

²⁰ XPonent is a tool created in 1999 by IMS, the leading provider of medical data worldwide. From a panel of 47% of all French pharmacies, it performs an extrapolation in order to provide its clients with a detailed account of prescriptions issued by a group of doctors.

on the list drawn up by the laboratory, he will be wasting his time because he won't be assessed on this, even if his friend writes prescriptions. (Gontran, Managing Director, IMS Health)

Thus, the logic of assessment as practised in the pharmaceutical industry is witnessing the emergence of a growing interest in managerial ideals framing behaviours in the sales force, which are developed into specific discourses relating to the mission of regional managers and their drug representatives.

Developing a discourse on sales and efficiency

The two main shifts in accountability principle ideals are echoed in the discourses within the organisation. First, the ideal of drug representatives being more salesmen than scientific professionals is translated in the messages about both recruitment profiles and the drug rep's role.

We also have regional directors who do recruitment and who always send us borderline cases, meaning people who do not have sufficient sales sense and are too scientific. We will say to them: "Listen, in future recruitment, can you recruit sales profiles for me? A scientific background is fine but not enough". (Donald, Zone Manager, Antalgix)

The role of the drug representative is to inform as well as possible on his speciality so that the drug is prescribed. Each of our drug reps has a goal in terms of prescription volume. [...] It is the sales side. It's a slightly taboo word in the pharmaceutical industry, but we should still use it. From the moment that the rep informs so that others prescribe his product, somehow he is selling. This is what makes our company run or not. (Pascal, Sales Director, Antalgix)

The second trend towards a more "patient-oriented" rather than the former "doctor-oriented" sales strategy is translated and reinterpreted in the sales force's discourse. What is underlined here are the links between the changing relationship with the doctor, and both the emergence of a new sales force organisation (development of networks) and the constantly shrinking autonomy of drug reps.

Networks of drug reps are increasing, supposedly in order to improve commercial efficiency through greater presence at the customers' places. Doctors actually don't have the same relationship with drug reps when they are visited by many reps promoting the same products in a month. This multiplication of drug reps on each network could also be considered as a strategy by the laboratory to control the special relationship between reps and their customers better. For drug reps, this marketing pressure leads to diminishing responsibility and a poorer quality visit. On both the operational and managerial level, because of increasing concerns about profitability, sales forces feel that their autonomy is declining.

Today, with the proliferation of networks, targeting and the fact that drug representation at a doctor's surgery is more and more costly, the degree of autonomy granted to the drug representative is getting smaller and smaller. (Robert, Sales Administrator, Antalgix)

This discourse is shared by the whole sales force: the increasing marketing pressure and the growing concern for profitability have an impact on the regional manager's job as well as the drug representative's. All have the impression that they are increasingly controlled, on a new basis and with a new impact on their daily work. As far as the regional managers are concerned, their work becomes more complex and more controlling. Whenever the regional manager needs to find out whether the drug rep is "doing his visits well", they have to be increasingly sure of a given visit's return on investment: has the salesman been efficient?

Now, the markets are shrinking and we are starting to pay more and more attention to this. So we have to take on notions of coaching. The manager must know how his drug reps are conducting their sales and also know what we are spending in relation to that. (Matthieu, Management Controller, Business Unit, Antalgix)

This reduction of autonomy appears in new performance measurement and remuneration techniques.

Control techniques: redefining the individual performance of drug reps

Two control techniques to govern drug reps' autonomy, *i.e.* individual performance measurement and remuneration techniques²¹, are increasingly used to make drugs reps comply with activity directives inspired from the consumer goods industry's conception of accountability. Firstly, detailed reports and data, which are usually gathered to identify potentially deviant behaviours, are used to assess drug reps' individual performances. Secondly, new bonus calculation methods represent a growing desire to reduce the autonomy of drug reps.

Sales force performances were traditionally measured with respect to either behaviour or outputs (Anderson and Oliver, 1987; Cravens *et al.*, 1993; Oliver and Anderson, 1995), and control in the pharmaceutical industry seeks, first and foremost, to know the output of reps (measured in turnover). Laboratories rely on powerful tools to measure turnover on the basis of very fine geographical units. These tools enable laboratories to measure the individual performances of the drug representatives²².

I have already had discussions with people working in the agribusiness who are surprised at all the tools that we have at our disposal. It's like the science police and the local police, if you will: they're from different worlds. (Pascal, Sales Director, Antalgyx)

To conduct the meticulous follow-up, Antalgyx, like most laboratories, relies on triangulating information sources, external as well as internal. External inquiries are conducted, particularly involving doctors, to validate declarations made by drug representatives. Not only do laboratories check the accuracy of the marketing message that was delivered but also the reality of the visit. In addition to these inquiries, drug representatives must provide their hierarchy with numerous reports (visit reports, inquiries conducted at doctors' surgeries, visit reports in tandem with the regional manager, reports on public relations operations, *etc.*).

All these inquiries and reportings of activity may be exploited in an ambivalent way. From the ethical pharmacy perspective, they serve as an ideal for a Science Police that helps to understand the business. Until now, this mass of data served solely to pinpoint potentially deviant behaviours in the sales force such as bogus visits or expense forms that are tampered with. However, in the logic of the consumer goods industry, they are used as an assessment tool of individual performance. It appears that this second logic is gradually developing as suggested in the two following extracts:

[Drug representatives] make daily reports, noting down their activity. They are monitored particularly with regard to targeting, choice of clientele, choice of doctors, and the frequency of their visits. All this is centralised here and put at the disposal of the zone manager and can even be consulted directly

²¹ Regarding the measurement of the sales force performance, two departments control the activity of the drug reps at Antalgyx: Sales Administration and Sales Efficiency. Sales efficiency designs the ratios used to measure sales performance and analyses sales force output. Sales administration focuses on, amongst other things, monitoring the activity of drug representatives: controlling expense forms, reporting activity, calculating bonuses, *etc.*

²² In principle, pharmaceutical laboratories do not have access to prescriptions. Sales statistics always deal with groups of doctors, and statistical data providers must call upon trustworthy third parties to obtain the data that has been consolidated and made anonymous beforehand. Therefore, the real relevance of these tools can be questioned: do sales of a given drug at a chemist's really correspond to the performance of a drug rep who can only *incite* doctors in the local area to prescribe it? However, the relevance of the performance measure relates to another research question. For instance, in France, the *Groupement pour l'Elaboration et la Réalisation de Statistiques* (GERS) was created in 1974 by and for the pharmaceutical industry to publish sales statistics. The data are not gathered from panels, but are real figures collected from wholesalers and laboratories. They reflect wholesale deliveries and direct sales from laboratories to pharmacies (source: www.gie-gers.fr).

by the drug representatives. (Pascal, Sales Director, Antalgix)

*We also have target constraints with respect to doctors to visit and the frequency of visits relating to their potential. All this restricts our freedom. Increasingly, laboratories are trying to play the game well. In this context, **we are becoming more and more like pure salesmen**. Our commercial side is emphasised because laboratories are looking for results. We are moving towards a mass-market industry. **Things are increasingly quantified; we have really clear objectives**. (Felix, Drug Representative, Antalgix)*

As mentioned previously, performance remuneration is another control technique that assists in governing drug representative autonomy. Goal-dependent payroll devices make the drug reps' activity transparent and dictate their behaviours. Previously, only results were taken into account in setting goals for drug representatives; today, goals also include the manner in which they conduct their business (number of contacts with doctors, number of professional relationships, etc.). Activity data are not only gathered to justify a potential ex-post sanction for a drug rep; they are also taken into account for annual pay rises.

The obligation to behave according to predefined guidelines is illustrated by the fine-tuning of how the drug representative's commission is now computed.

Before, if the drug representative just reached his goal, he received a bonus. There was not really any crescendo as you may see elsewhere. Now, we are asking him to promote three products in a certain order during the visit. His commissions depend on his performances in each of these three products. (Matthieu, Management Controller, Business Unit, Antalgix)

Concerning bonuses, importance used to be placed on implantation only. Today, a lot of importance is also placed on developing market share. (Felix, Drug Representative, Antalgix)

When discussing with controllers, it seems only a matter of time before activity data are taken into account in the calculation of quarterly bonuses, and before the end consumer is fully integrated in the assessment of the drug representative's performance.

Observing the shifts in the ideals, discourses and techniques relating to accountability principles, it seems that this aspect of the *control mix* has already embraced the logic of the consumer goods industry. Nevertheless, clear signs of decoupling can be highlighted in the day-to-day practice.

Internalisation or decoupling: a partly developed problematic of profitability

The accountability principles relating to the logic of the consumer goods industry are witnessing a decoupling phenomenon. It seems that assessment techniques are not used to measure profit creation at an individual level, because of legal and inner constraints. This limitation influences the subjectification of drug reps, who continue to represent themselves as 'non-ordinary' salesmen.

When analysing the rationalisation of the new institutional logic, everything appears to develop through, and according to, hierarchical strata. Nevertheless, it appears that the consumer goods industry logic stops at the zone level in the organisational structure, the regional actors (regional directors and drug representatives) being maintained on a logic of ethical pharmacy. At a regional level, turnover remains the main criterion for measuring output, and profit is not measured individually.

***What is measured in your job?** The number of boxes sold. We look at ratios in France. They look at the average daily contact rate. **Do they look at profits?** No, never. They look at overall turnover, but the margin is analysed at a much higher level. We are not interested in that at our level. Even in the sales efficiency department, this was not measured. It's at board level.. (Felix, Drug Representative, Antalgix)*

As far as assessment techniques are concerned, turnover rather than any calculated margin also remains the main criterion on which quarterly bonuses (the most important ones for drug reps) are based.

Turnover remains the essential basis for calculating bonuses. (Felix, Drug Representative, Antalgix)

The management of sales administration confirms that the regional actors are still assessed on the volume of turnover they generate.

For the time being, the regions are not yet considered as profit centres. Regional directors control nothing in general. We simply say to them: "You have to increase your sales turnover." (Robert, Director of Sales Administration, Antalgix)

It thus appears that the regions constitute revenue centres, while the accountability principles of the consumer goods logic would create profit centres at this level.

To understand this decoupling phenomenon between idealised and real accountability principles, two types of explanations may be put forward: legal constraints and intra-organizational management choices.

Because of legal constraints, profit targets or profit-based bonuses remain ideals and are not materialised in day-to-day practices.

Things are increasingly quantified; we have really clear objectives. But this is all hidden, because officially, we are not allowed to have sales objectives and bonuses based on them. We discuss these things in seminars but we have no documents on it. It is not published. It remains confidential. (Felix, Drug Representative, Antalgix)

The legal constraints limiting the use of individual performance measurements tend to maintain the ethical pharmacy logic as far as it concerns accountability principles.

Another reason, related to intra-organizational management choices, can be put forward with respect to the only partial implementation of the accountability principles of the consumer goods logic: business drivers differ highly between the two sectors. In the ethical pharmacy sector, costs actually remain minimal in comparison with generated turnover. Therefore, senior management may wish to maintain opacity with regard to the margins generated for political reasons. Disclosing margins inside the organisation would make the irrationality of margin metrics obvious in a world where these are far from being under any threat. By being made aware of the notion of margin, drug representatives could lose sight of turnover and simply feel demotivated.

Management control certainly knows the costs. I know this is important. Maybe morally, the margin is not communicated because it is not respectable... it could shock some people! With healthcare, there are always things left unsaid concerning money. At the same time, the fact that we don't know the profit margins allows them to say that things are not working, to put pressure on us, even if there is a huge margin behind. You will never find any documents here concerning production prices (Felix, Drug Representative, Antalgix)

For all these reasons, and regardless of the rise in the consumer goods logic amongst pharmaceutical sales forces, drug reps do not identify themselves as "ordinary" sellers.

A drug representative is different from a classical salesman because there is no purchase order. For us, everything is based on a moral contract. It is solely relational. (Felix, Drug Representative, Antalgix)

To conclude, with respect to this third aspect of MCS, the development of new accountability principles assigned to the sales force appears to be inescapable in all of the discourses mentioned

above. The new ideal is echoed in the discourses and techniques already in use. Performance measurement and remuneration techniques structure the behaviours of the representatives by dictating what means can be solicited in performing their activity. The transparency and the framing with regard to these means bring to mind the constrained autonomy of the retail seller. However, once again, the process of institutionalisation is halted at the internalisation stage. Both legal and inner constraints tend to prevent this process of institutionalisation from being completed.

6. Discussion

This case study has enabled us to establish various findings linked to an untidy process of institutionalisation (see Table 4). An ideal of replication rather than innovation is developing through product portfolio management techniques as well as through techniques for assessing the profitability of promotional operations. The consumer goods industry logic is also slowly transforming the division of power amongst the departments. Although drug representation may not be envisaged in the same way as retail selling, the image of the drug representative as a scientific informant, fostered by an ambiguous status, is tending to give way to an image of the drug representative as merely a seller. This is reinforced by accountability principles inspired by those structuring the profit-driven activity of the consumer goods seller. However, to complete the process of institutionalisation, the new institutional logic still has to be appropriated by the individuals themselves. On this point, we observe that the problematic of profitability, a key element in the consumer goods industry logic, is only partially developed along the sales force line. In addition, management controllers, despite being vectors of this logic, are held at arm's length from operational managers. In contrast, the new management culture based on marketing innovations (*i.e.* replications) is increasingly internalised.

<<Insert Table 4 about here>>

By using one empirical case study, this research details the process of institutionalisation by, and of, a MCS within one firm; in other words, how intra-organisational change develops through an MCS and at the same time modifies it. At Antalgyx, changes in the MCS are presented by managers as a means of enhancing the efficiency of the organisation. Yet in several aspects, the efficiency of the reforms is not clear: the changes can be better explained by institutional factors and the need to demonstrate that the organisation is well managed. We hypothesised that an institutional logic was diffusing from ideals to discourses and techniques, as theorised by Hasselbladh and Kallinikos (2000). However, our empirical study shows that this process is not as systematic as the theory suggests. Analysing the institutionalisation process of MCS shows that it can be difficult for a new model to be institutionalised and internalised. At Antalgyx, the institutional logic of the consumer goods industry plays a major role in the change in MCS. For instance, recruiting people who have previous experience in the consumer goods industry contributes to the importation of MCS used in that organisational field. Nevertheless, the logic of ethical pharmacy is not disappearing. The former ideals coexist with the emerging ideals, and systems of control tend to remain very stable (Granlund, 2001): changing the profile of controllers and the tools of control does not suffice to change the way the managers are controlled. The case suggests that “logic transposition” is an important mechanism of institutional change (Djelic and Ainamo, 2005) but it also confirms that “institutionalization does not occur through the simple imitation of an action by immediate observers” (Phillips *et al.*, 2004).

A combination of MCS including cultural, behavioural and output controls has been investigated (Merchant and Van der Stede, 2003). More precisely, three elements of the *control mix*, *i.e.* the management culture, the division of power amongst departments and the accountability principles, have been observed (Abernethy and Chua, 1996). By analysing in detail the various facets of MCS, different levels of change have been diagnosed.

The most widely accepted element of the changing MCS is the new management culture. It is presented as consistent with the existing ideal of innovation. It is thus possible for this new ideal to be incorporated in the discourses and, at least partly, internalised by the actors. This can be a way to change by evolution (Burns and Vaivio, 2001; Siti-Nabiha and Scapens, 2005).

Concerning the second aspect of MCS—*i.e.* the redistribution of power, the diffusion of the ideal of the consumer goods industry appears difficult: it would dramatically reduce the importance of the currently dominating coalition. Salespeople and their managers do not want to hear about it, and if they do, they hush it up and transform it into a taboo subject for all actors, developing a “non-discourse” on the topic. The other departments prefer to remain discrete and evoke it very indirectly, since they feel that speaking out would jeopardise the process of change. Blockages notably occur, because of actors’ resistance to change (Siti-Nabiha and Scapens, 2005) and because of their poly-rationality (Quattrone and Hopper, 2001). As previously shown (Townley, 1997; Basu *et al.*, 1999; Bhimani, 2003; Major and Hopper, 2005; Siti-Nabiha and Scapens, 2005), the ability of the internal coalitions to resist the new logic explains, at least partly, their acceptance or refusal to internalise the new MCS. Here, decoupling stems from resistance to change: it is not an organisational response to external pressures (Siti-Nabiha and Scapens, 2005).

Finally, the new ideal relating to accountability principles seems to be already widely developed into discourses and techniques, because the existing assessment techniques in the pharmaceutical industry are ambiguous and can easily be used in coherence with the new philosophy. Yet both legal constraints and political reasons, in the end, prevent the management from following the new trend fully. These managerial choices betray hesitations concerning the real desire to diffuse a new institutional logic. The choice not to disseminate fully a consumer goods industry logic to the most operational levels may be explained by the fact that managers realise there is a contradiction between the principles that guide this logic and the true “business drivers” of the pharmaceutical sector. By making only the highest spheres of the hierarchy aware, senior management is conveying an ambiguous message—the key to decoupling—that shows externally that these questions are strategic whilst maintaining the habitual modalities of running the company at the operational level. This situation illustrates the analysis of a decoupling phenomenon as presented by Meyer and Rowan (1977).

Considering the various degrees to which the three elements of the MCS are institutionalised, we show that change may be slowly implemented, rejected by actors, or ceremonially accepted depending on the element of the MCS under consideration. It is usually postulated that discourses are more easily institutionalised if they are coherent and structured (Phillips *et al.*, 2004). Contrary to this assumption, our study demonstrates that a new ideal seems to have more chance of being developed into discourses and/or techniques when it is sufficiently ambiguous to appear as non-conflicting with the former ideal, leading to situations of loose coupling. Discourses that conflict with ideals and techniques lead to decoupling, but, in a sense, also provide an opportunity for change ultimately to be internalised by people. Indeed, dissonant discourses that do not fit the new

institutional logic enable those who make these discourses to cope with change in the organisation and to rationalise a process that they do not control.

The analysis of the institutionalisation process also suggests that, when a discourse cannot be heard, it can be bypassed using techniques. In fact, it seems that the ambivalence of techniques is at the heart of the process of institutionalisation, because it enables *a priori* incompatible ideals to coexist. Indeed, it gives the individual the necessary latitude to position himself in relation to the new message conveyed by the organisation. The ambivalence of techniques enables an internalisation by “allomorphism”, meaning that for the innovation to be internalised, it has to be “shaped to fit the recipient and reflects all its institutionally defined differences” (Lippi, 2000). For instance, if activity assessment techniques do not radically change, the drug representative will be inclined to accept more or less consciously the new ideals that underpin them. The ambivalence of techniques therefore enables the consumer goods industry logic to seep into the drug representative’s daily practices. Moreover, the ambivalence of techniques also enables an institutionalisation based on hypocrisy. This hypocrisy “may provide the only chance of achieving some action without risk of losing general support” (Brunsson, 1993). Recruiting new profiles of management controllers and drug representatives can open a path towards a change in the distribution of power within the organisation and facilitate the progressive sharing of new rationales and routines (Busco *et al.*, 2006). In this case, the aim of implementing techniques is to lead an insidious institutionalisation of the new institutional logics when “what can be done cannot be said” (Brunsson, 1993).

Finally, it appears that if the institutional logic of an organisational field can spread into firms thanks to ideals (mainly if this ideal is ambiguous), it can also be more discretely diffused by techniques. The codification (Phillips *et al.*, 2004) of techniques makes their diffusion through organisational fields easier. The internalisation of these techniques can also be made easier by their ambivalence. Nevertheless, we argue that institutionalisation is completed only if ideals, discourses and techniques are coherent. Our empirical study shows that this is the final condition for the institutional logic to be totally internalised (see Figure 4).

<<Insert Figure 4 about here>>

We argue that for an institutionalisation process to be *fully* completed, there is a need for internalisation (Kostova and Roth, 2002). When ideals, discourses and techniques do not form a coherent and linear whole, as stated above, *objectification*, *i.e.* the visible side of the institutionalisation process, can occur. However, *objectification* does not exhaust institutionalisation (Hasselbladh and Kallinikos, 2000). Indeed, when ideals, discourses and techniques are not coherent, *subjectification*, *i.e.* the invisible side of the institutionalisation process, is hindered. A more invisible side of institutionalisation lies in the internalisation of the new rationales by organisational actors, meaning the way actors understand their roles and enact them according to, against, or regardless of these new rationales.

7. Conclusion

To conclude, our intention was to analyse one example of intra-organisational change by detailing the institutionalisation process of new MCS within one firm. With this in mind, we have studied the impact of the diffusion of the consumer goods industry logic on the MCS of an organisation in the ethical pharmacy sector. To go beyond criticism levelled at the neo-institutional school of thought, an in-depth analysis of the process of institutionalisation was conducted based on the theoretical

framework proposed by Hasselbladh and Kallinikos (2000). The case study presented here is used as additional empirical evidence to generate theory about institutionalisation and decoupling. This paper not only explores how the process of institutionalisation takes place but also whether it actually takes place and, if so, to what extent.

This research has identified signs of change in management control when confronted with a new institutional model. The use of the theoretical framework proposed by Hasselbladh and Kallinikos (2000) offers new insights into understanding the decoupling phenomenon by studying the institutionalisation process through ideals, discourses and techniques. Decoupling is usually considered as the result (maybe unconscious) of an organisational choice not to entirely implement the new technique inside the organisation, as traditional NIS scholars argue (Meyer and Rowan, 1977), or as the result of resistance to change (Siti-Nabiha and Scapens, 2005). Our empirical findings call into question the systematic as well as the linear nature of this process. Ideals, discourses and techniques do not naturally translate from one to another: decoupling appears when there is no coherence between them. Moreover, we argue that ambiguous ideals and ambivalent techniques may facilitate the implementation and the internalisation of a new institutional logic in a given organisation.

These findings have several implications for future research. They invite us to analyse change in MCS in relation to the stability of practices and to the ambivalence of control devices.

This paper revisits the centrality of discourse underlined in postmodernism and organisational research (Alvesson and Deetz, 1996). Building on a Foucauldian approach to discourses (Foucault, 1975, 1980), we have shown how discourses contribute to producing particular forms of subjectivity according to, in resistance to, or independently of, changing power techniques and evolving ideals. We have confirmed that discourse is central to the institutionalisation process. It is central to change because it not only “ties together ideals and systems of measurement and control” (Hasselbladh and Kallinikos, 2000, p.706), but also structures the individual’s subjectivity, “providing him/her with a particular social identity and way of being in the world” (Alvesson and Deetz, 1996). We have actually highlighted empirically how discourses that conflict with new ideals and techniques enable actors to cope with the evolution of their organisational field and find their way in their organisation.

Therefore, change seems able to develop only if some practices (such as the roles envisaged by organisational actors) remain stable. Furthermore, this research concludes that change can build on the ambivalence of ideals and techniques. As stated before, the ambivalence of ideals and techniques enables change to diffuse gradually and disseminate into organisational actors’ daily practices. Internalising norms, the ultimate stage in institutionalisation, is thus facilitated. For these reasons, it seems fruitful to import perspectives offered by research on properties and on the impact of technology to understand the institutionalisation of norms. This research suggests that change can be better analysed when crossed with research about accounting as a socio-institutional practice (Hopwood and Miller, 1994; Townley, 1995; Jeacle, 2003). In order to analyse changes in MCS further, we propose to explore the socio-institutional processes through which MCS is internalised and actorhood is shaped.

Acknowledgements

The authors wish to thank participants in the 4th Conference on New Directions In Management Accounting (EIASM), the MCA-ENROAC 2005, the Association Francophone de Comptabilité 26th Congress, participants in the Seminar on Institutional Analysis of Accounting (LSE, Dpt of Accounting and Finance), and participants in the accounting seminar at the Schulich School of Business and CRIM' group for their precious comments on earlier versions of this paper. More particularly, we are grateful to Nicolas Berland, Cameron Graham, Eksa Kilfoyle, Laurie McAulay, Anne Pezet, Alan Richardson, the editors of this Special Issue and our reviewers for their helpful suggestions.

The second author completed work on this paper as a visiting scholar at Schulich School of Business.

Concepts	Definitions	Characteristics	Application in Organisation
Ideals	Basic ideas	Expressed vaguely, in a wholesale fashion	Narrative description of the importance of realising positive work control
Discourses	Ways of defining and acting upon reality	Discourse achieves both a kind of closure in the significant content or meaning of ideals and the specification of the relations and items involved	Discourse on human resource management that delineates in considerable detail relationships, social roles and rules of conduct
Techniques of control	Elaborate systems of measurement and documentation for controlling action outcome	Are usually expressed in numerical or other forms of codification	Development of various systems of classification and measurement

Table 1 – The Institutionalisation Process: Ideals, Discourses and Techniques of Control (adapted from Hasselbladh and Kallinikos, 2000)

Antalgix	Position Title
Marc	Sales Efficiency Supervisor
Robert	Sales Administrator
Pascal	Sales Director
Donald	Zone Manager
Julien	Regional Manager
Felix	Drug Representative
Maud	Drug Representative
Alexandre	Management Controller BU
Arnaud	Assistant Management Controller BU
Matthieu	Management Controller BU
Cyril	Management Controller BU
Alain	IT Project Supervisor
Annabelle	Consolidation Supervisor

Table 2– Representation of the Population Interviewed at Antalgix

<i>Control mix</i>			
	Management Culture	Division of Power amongst Departments	Accountability Principles
Ideals	“Mission” of the industry	Dominant department or coalition of departments, or said to be so in the industry.	Privileged Object to be controlled
Discourse	“Mission” of the organisation Relationships with the stakeholders	Attributes of the dominant department, signs of power, privileges in the organisation	Role of Management. Mission of middle managers and operating core
Techniques	Marketing Techniques	HRM Techniques. Recruitment strategies. Carriers.	Performance Measurement Techniques

Table 3 – Coding Framework

	Management Culture	Distribution of Power	Accountability Principles
Ideals	Ambiguous A perverted conception of innovation is slowly emerging (through replication concerns)	Conflicting Shift towards a bypassing of both the doctor and the drug rep	Conflicting Promotion of a more managerial conception of accountability (seller side vs scientific side of the drug rep's job)
Discourse	In discourse, profitability is either a means or an end depending on the target audience	The dominant department clearly remains the sales department	Discourse requiring a greater level of commercial efficiency from drug representative is developed
Techniques	Marketing techniques designed to satisfy new replication concerns (e.g. profit measurement of promotional operations)	Recruitment of "less scientific profiles" in the sales and marketing departments. Recruitment of management controllers from the consumer goods industry as vectors for change	Performance measurement and remuneration system become increasingly similar to the one used in the consumer goods industry (behaviour-based added to result-based assessment)
Internalisation	Loose coupling Techniques are partly used in a ceremonial way but they seem to be increasingly accepted	Decoupling Sales department retains the right to have the final say in the decision-making process	Decoupling Decoupling is maintained because of both legal and organisational culture constraints

Table 4 - The Process of Institutionalisation of the *Control Mix* Elements at Antalgix

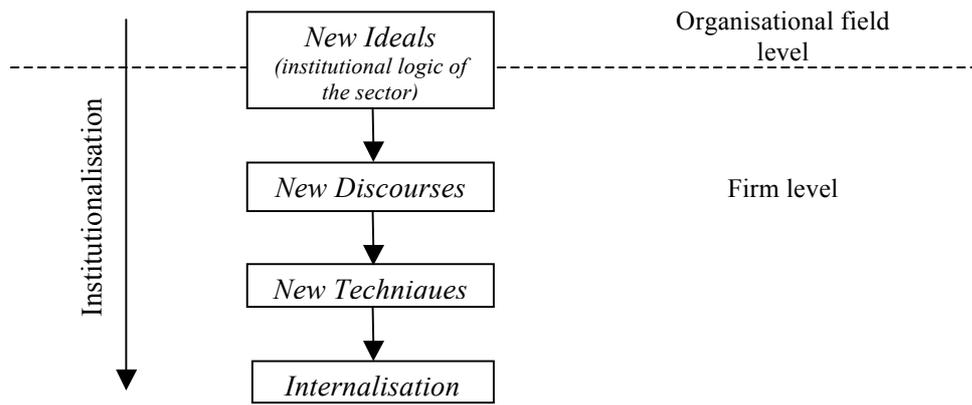


Figure 1– Stages of Institutionalisation (inspired from Hasselbladh and Kallinikos, 2000)

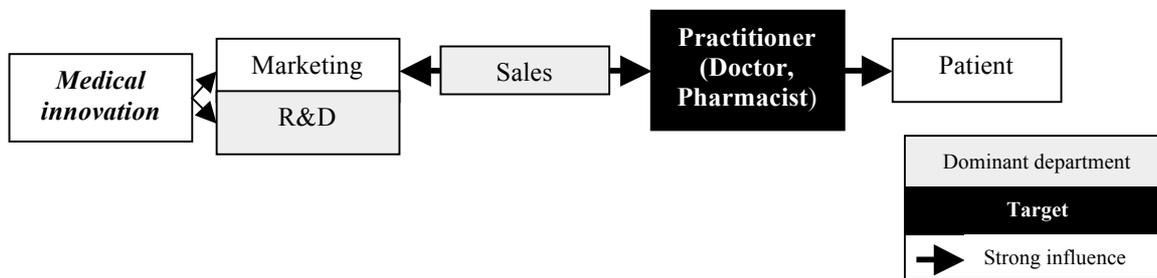


Figure 2- Traditional Institutional Logic of Ethical Pharmacy in France

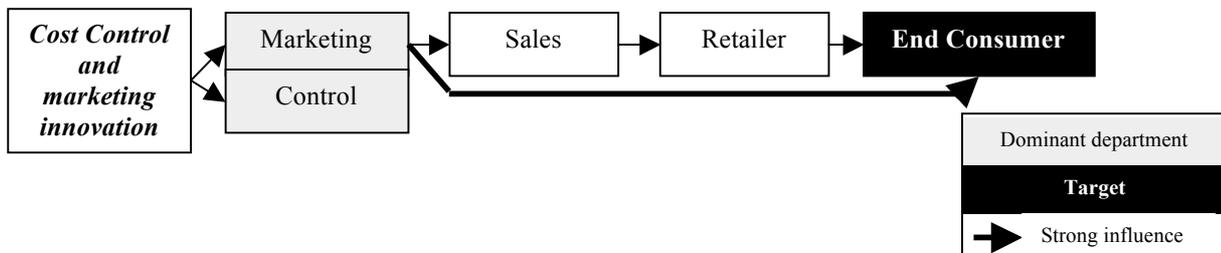


Figure 3- Traditional Institutional Logic of Consumer Goods Industry

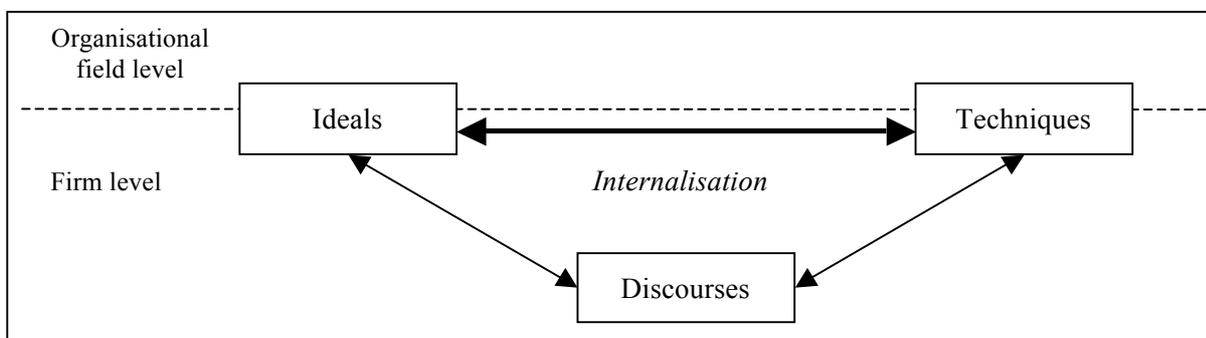


Figure 4 – Full Institutionalisation as a Result of Coherent Ideals, Discourses and Techniques

References

- Abernethy, M. A., Chua, W. F. (1996). A field study of control system "redesign": the impact of institutional processes on strategic choice. *Contemporary Accounting Research*, 13, 569-606.
- Alam, M. (1997). Budgetary process in uncertain contexts: a study of state-owned enterprises in Bangladesh. *Management Accounting Research*, 8, 147-167.
- Alessandri, S. W., Alessandri, T. (2004). Promoting and protecting corporate identity: the importance of organizational and industry context. *Corporate Reputation Review*, 7, 252-268.
- Alvesson, M., Deetz, S. (1996). Critical Theory and Postmodernism Approaches to Organizational Studies. In S. R. Clegg, C. Hardy & W. R. Nord (Eds.), *Handbook of Organization Studies*: Sage Publications.
- Anderson-Gough, F., Grey, C., Robson, K. (2005). 'Helping Them to Forget.' the organizational embedding of gender relations in public audit firms. *Accounting, Organizations and Society*, 30, 469-490.
- Anderson, E., Oliver, R. L. (1987). Perspectives on Behavior-Based Versus Outcome-Based Salesforce Control Systems. *Journal of Marketing*, 51, 76-88.
- Ansari, S. L., Bell, J. (1991). Symbolism, collectivism and rationality in organizational control. *Accounting, Auditing & Accountability Journal*, 4, 4-27.
- Ansari, S. L., Euske, K. J. (1987). Rational, rationalizing, and reifying uses of accounting data in organizations. *Accounting, Organizations and Society*, 12, 549-570.
- Armstrong, P. (1985). Changing management control strategies: The role of competition between accountancy and other organisational professions. *Accounting, Organizations and Society*, 10, 129-148.
- Basu, O. N., Dirsmith, M. W., Gupta, P. P. (1999). The coupling of the symbolic and the technical in an institutionalized context: the negotiated order of the GAO'S audit reporting process. *American Sociological Review*, 64, 506-526.
- Bhimani, A. (2003). A study of the emergence of management accounting system ethos and its influence on perceived system success. *Accounting, Organizations and Society*, 28, 523-548.
- Brignall, S., Modell, S. (2000). An institutional perspective on performance measurement and management in the "new public sector". *Management Accounting Research*, 11, 281-306.
- Brunsson, N. (1993). Ideas and actions: Justification and hypocrisy as alternatives to control. *Accounting Organizations and Society*, 18, 489-506.
- Burns, J., Scapens, R. (2000). Conceptualizing management accounting change: an institutional framework. *Management Accounting Research*, 11, 3-25.
- Burns, J., Vaivio, J. (2001). Management accounting change. *Management Accounting Research*, 12, 389-402.
- Busco, C., Riccaboni, A., Scapens, R. W. (2006). Trust for accounting and accounting for trust. *Management Accounting Research*, 17, 11-41.
- Calás, M. B., Smircich, L. (1999). Past Modernism? Reflections and Tentative Directions. *Academy of Management Review*, 24, 649-671.
- Carruthers, B. G. (1995). Accounting, ambiguity and the new institutionalism. *Accounting, Organizations and Society*, 20, 313-328.
- Carter, C., Crowther, D. (2000). Unravelling a profession: the case of engineers in a British regional electricity company. *Critical Perspectives on Accounting*, 11, 23.
- Charrondière, H. (2003). Les nouvelles politiques marketing des laboratoires pharmaceutiques (pp. 180). Paris: Eurostaf.
- Chauveau, S. (1999). *L'invention pharmaceutique. La pharmacie française entre l'Etat et la société au XXème siècle*. Paris: Les Empêcheurs de penser en rond.
- Chenhall, R. H. (2003). Management control systems design within its organizational context: findings from contingency-based research and directions for the future. *Accounting, Organizations and Society*, 28, 127-168.
- Collier, P. M. (2001). The power of accounting: a field study of local financial management in a police force. *Management Accounting Research*, 12, 465-486.
- Covaleski, M. A., Dirsmith, M. W. (1983). Budgeting as a means for control and loose coupling. *Accounting, Organizations and Society*, 8, 323-340.
- Covaleski, M. A., Dirsmith, M. W. (1988). An Institutional Perspective on Rise, Social Transformation, and Fall of a University Budget Category. *Administrative Science Quarterly*, 33, 562-587.
- Covaleski, M. A., Dirsmith, M. W., Michelman, J. E. (1993). An institutional theory perspective on the DRG framework, case-mix accounting systems and health-care organizations. *Accounting, Organizations and Society*, 18, 65-80.
- Covaleski, M. A., Dirsmith, M. W., Samuel, S. (1996). Managerial accounting research: The contributions of organizational and sociological theories. *Journal of Management Accounting Research*, 8.
- Cravens, D. W., Ingram, T. N., Laforge, R. W., C.E., Y. (1993). Behavior-Based and Outcome-Based Salesforce Control Systems. *Journal of Marketing*, 57, 47-59.
- Croissandeau (2002). "Les "génériques" en effervescence." *Les Echos* 20/06.
- Dacin, T. M., Goodstein, J., Scott, R. W. (2002). Institutional theory and institutional change: introduction to the special research forum. *Academy of Management Journal*, 1, 45-57.

- Dambrin, C. (2005). *Le contrôle à distance ou l'autocontrôle par les technologies: le cas des commerciaux*. PhD Thesis, Paris, Université Paris Dauphine. Crefige.
- DiMaggio, P. J., Powell, W. W. (1983). The iron cage revisited: institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48, 147-160.
- Djelic, M.L., Ainamo, A. (2005), The Telecom Industry as Cultural Industry? The Transposition of Fashion Logics into the Field of Mobile Telephony. *Transformation in Cultural Industries, Research in the Sociology of Organisations*, 23, 45-80
- Drews, J. (1998). *In Quest of Tomorrow's Medicines*. New York.
- Ducruet (2002). "Pharmacie et biotech en symbiose." *Les Echos* September, 11th, pp. 49.
- Dupre, K., Gruen, T. W. (2004). The use of category management practices to obtain a sustainable competitive advantage in the fast-moving-consumer-goods industry. *Journal of Business & Industrial Marketing*, 19, 444-459.
- Feldman, M. S. (2000). Organizational Routines as a Source of Continuous Change. *Organization Science*, 11, 611-629.
- Feldman, M. S., Pentland, B. T. (2003). Reconceptualizing Organizational Routines as a Source of Flexibility and Change. *Administrative Science Quarterly*, 48, 94-118.
- Fernandez-Revuelta Perez, L., Robson, K. (1999). Ritual legitimation, de-coupling and the budgetary process: managing organizational hypocrisies in a multinational company. *Management Accounting Research*, 10, 383-407.
- Foucault, M. (1975). *Surveiller et punir*. Paris: Gallimard Trad. *Discipline and Punish: the Birth of the Prison*, translated by A.S. Smith. New York, Random House.
- Foucault, M. (1980). *Power/Knowledge*. New York: Pantheon.
- Friedland, R., Alford, R. R. (1991). Bringing Society Back In: Symbols, Practices and Institutional Contradictions. In W. W. Powell & P. J. DiMaggio (Eds.), *The New Institutionalism in Organizational Analysis* (pp. 232-263). Chicago: The University of Chicago Press.
- Friedmann, G. (2005). La pénibilité du savoir-être des visiteurs médicaux. Conditions de travail et intensification relationnelle. *Etudes et expertises sur la santé et les conditions de travail*, April.
- Granlund, M. (2001). Towards explaining stability in and around management accounting systems. *Management Accounting Research*, 12, 141-166.
- Granlund, M., Lukka, K. (1998). It's a small world of management accounting practices. *Journal of Management Accounting Research*, 10, 153-179.
- Greenwood, R., Suddaby, R., Hinning, C. R. (2002). Theorizing change: the role of professional associations in the transformation of institutionalized fields. *Academy of Management Journal*, 45, 58-80.
- Guannel, B., Moreau, A., Plateau, C., Viatte, R. (2003). L'industrie pharmaceutique. Sur les chemins difficiles de l'internationalisation, *Le 4 pages de statistiques industrielles, Ministère des Finances et de l'Industrie*. Paris.
- Hasselbladh, H., Kallinikos, J. (2000). The project of rationalization: a critique and reappraisal of neo-institutionalism in organization studies. *Organization Studies*, 21, 697-720.
- Hopwood, A. G., Miller, P. (1994). *Accounting as social and institutional practice*. Cambridge: Cambridge University Press.
- Hoque, Z., Hopper, T. (1997). Political and industrial relations turbulence, competition and budgeting in the nationalised jute mills of Bangladesh. *Accounting and Business Research*, 27, 125.
- Jeacle, I. (2003). Accounting and the construction of the standard body. *Accounting, Organizations and Society*, 28, 357-377.
- Kostova, T., Roth, K. (2002). Adoption of an organizational practice by subsidiaries of multinational corporations: institutional and relational effects. *Academy of Management Journal*, 45, 215-233.
- Lambert, C. (2005). *La fonction contrôle de gestion: contribution à l'analyse du rôle des services fonctionnels*. PhD Thesis, Paris, Université Paris Dauphine. Crefige.
- Lippi, A. (2000). One theory, many practices. Institutional allomorphism in the managerialist reorganization of Italian local governments. *Scandinavian Journal of Management*, 16, 455-477.
- Lorelle, V. (2003). "Les industriels devront accélérer le lancement de médicaments plus ciblés." *Le Monde* January, 15th, pp. 17.
- Major, M., Hopper, T. (2005). Managers Divided: resistance and consent to ABC in a Portuguese telecommunications company. *Management Accounting Research*, 16, 205-229.
- Merchant, K. A. (1982). The control function of management. *Sloan Management Review*, 44-55.
- Merchant, K. A., Van der Stede, W. A. (2003). *Management control systems: performance measurement, evaluation and incentives*. Englewood Cliffs, NJ: Prentice Hall Education.
- Meyer, J. W., Rowan, B. (1977). Institutionalized organizations: formal structure as myth and ceremony. *American Journal of Sociology*, 83, 340-363.
- Modell, S. (2001). Performance measurement and institutional processes: a study of managerial responses to public sector reform. *Management Accounting Research*, 12, 437-464.
- Modell, S. (2003). Goals versus institutions: the development of performance measurement in the Swedish university sector. *Management Accounting Research*, 14, 333-359.
- Moss, G., Schuiling, I. (2003). A brand logic for pharma? A possible strategy based on FMCG experience. *International Journal of Medical Marketing*, 4, 55-62.
- Munro, R. J. B., Haterly, D. J. (1993). Accountability and the new commercial agenda. *Critical Perspectives on Accounting*, 4, 369-395.

- Oliver, C. (1991). Strategic responses to institutional processes. *Academy of Management Review*, 16, 145-179.
- Oliver, R. L., Anderson, E. (1995). Behavior and Outcome - Based Sales Control Systems: Evidence and Consequences of Pure-Form and Hybrid Governance. *Journal of Personal Selling & Sales Management*, 15, 1-15.
- Orton, J. D., Weick, K. E. (1990). Loosely coupled systems: a reconceptualization. *Academy of Management Review*, 15, 203-223.
- Otley, D. T. (1980). The contingency theory of management accounting: Achievement and prognosis. *Accounting, Organizations and Society*, 5, 413-428.
- Panigyrakis, G. G., Veloutsou, C. (1999). Brand Managers in the pharmaceutical industry: are they any different? *Journal of Product and Brand Management*, 8, 497-512.
- Phillips, N., Lawrence, T. B., Hardy, C. (2004). Discourse and institutions. *Academy of Management Review*, 29, 635-652.
- Pignarre, P. (2003). *Le grand secret de l'industrie pharmaceutique*. Paris: La Découverte.
- Quattrone, P. (2006). The Possibility of the Testimony: a Case for Case Study Research. *Organization*, 13, 143-157.
- Quattrone, P., Hopper, T. (2001). What does organizational change mean? Speculations on a taken for granted category. *Management Accounting Research*, 12, 403-435.
- Roberts, J. (1991). The possibilities of accountability. *Accounting, Organizations and Society*, 16, 355-358.
- Robinson, W., Fornell, C. (1985). Sources of market pioneer advantages in consumer goods industries. *Journal of Marketing Research*, 22, 305-317.
- Scott, R. W. (2001). *Institutions and organizations*. Thousand Oaks, CA: Sage.
- Scott, R. W., Meyer, J. W. (1991). The organization of societal sectors: proposition and early evidence. In W. W. Powell & P. J. DiMaggio (Eds.), *The new institutionalism in organizational analysis* (pp. 108-140). Chicago: The University of Chicago Press.
- Scott, W. R., Ruef, M., Mendel, P. J., Caronna, C. A. (2000). *Institutional Change and Healthcare Organizations. From Professional Dominance to Managed Care*. Chicago: The University of Chicago Press.
- Sicart, D. (2003). *Les Médecins, Document de Travail*. Paris: Direction de la recherche, des études, de l'évaluation et des statistiques.
- Siti-Nabiha, A. K., Scapens, R. W. (2005). Stability and change: an institutionalist study of management accounting change. *Accounting Auditing and Accountability Journal*, 18, 44-73.
- Sponem, S. (2004). *Diversité des pratiques budgétaires des entreprises françaises: proposition d'une typologie et analyse des déterminants*. PhD Thesis, Paris, Université Paris Dauphine. Crefige.
- Styhre, A., Sundgren, M. (2003). Management is evil: management control, technoscience and saudade in pharmaceutical research. *Leadership and organization development journal*, 24, 436-446.
- Tolbert, P. S., Zucker, L. G. (1996). The institutionalization of institutional theory. In S. R. Clegg, C. Hardy & W. R. Nord (Eds.), *Handbook of organization studies* (pp. 174-190). London: Sage Publications.
- Townley, B. (1995). Managing by numbers: accounting, personnel management and the creation of a mathesis. *Critical Perspectives on Accounting*, 6, 555-575.
- Townley, B. (1997). The institutional logic of performance appraisal. *Organization studies*, 18, 261-285.
- Townley, B. (2002). The role of competing rationalities in institutional change. *Academy of Management Journal*, 45, 163-179.
- Vaughan, D. (1992). Theory Elaboration: The Heuristics of Case Analysis. In C. Ragin & H. S. Becker (Eds.), *What is a Case? Exploring the Foundations of Social Inquiry* (pp. 173-202). New York and Cambridge: Cambridge University Press.
- Yin, R. K. (2003). *Case study research. Design and methods*: Sage.