

Chapter One

The Concept of Accountability in Management Control: British and Chinese Perceptions and Their Recontextualization

Hailong Tian and Dermot Williamson

Accountability is a cornerstone of corporate governance expectations in at least the UK (Cadbury Committee, 1992; FRC, 2010). But is it a universal concept that is equally applicable around the world, or on the contrary is it parochial (in the sense used by Adler, 1983) as a local concept that people from some cultures assume is universal? A preliminary answer to this question emerged from grounded theory study conducted on British and Chinese managers' perceptions of the concept of accountability. It examined what other related concepts the managers had for their perceptions, what notions they found important to providing control assurance and what the meaning was to them of these concepts. This chapter will report some of the empirical findings and further discuss cultural issues concerning these different perceptions of the same concept and the issue of inter-relations between these perceptions. The discussion will be based on the observation of the two cultures and draw on the theory of recontextualization (e.g. Bernstein, 1990; van Leeuwen, 2008; Fairclough, 2003; Blommaert, 2005), where critical discourse analysis (CDA) may inform analysis of how these concepts as *texts* are related to their (and other) cultural, institutional and organizational *contexts* in the UK and Beijing.

1. The grounded theory study

According to Strauss and Corbin (1998) the initial research question and opening inquiries of a grounded theory study can be influenced by prior theory and by a researcher's theoretical sensitivity built up from prior research and experience. The initial research question in this study asked about the effect of national culture among other contextual factors on managers' perceptions

of management control. Prior research (e.g. Tannenbaum et al., 1974; Frucot & Shearon, 1991; Ahrens, 1996; Chow, Kato & Merchant, 1996) and the researcher's working experience suggested that national culture would affect perceptions. Therefore, a synopsis of Chinese and British national cultures is needed before a detailed description of the fieldwork.

1.1 Context of the study

Culture, in the sense of shared values and assumptions, is often treated as an ideational factor that influences behaviour and organisational processes (Hofstede, 2001; Triandis, 1995; Trompenaars & Hampden-Turner, 1997). Therefore assumptions about understanding of accountability may be influenced by cultural factors. This ideational view can be contrasted to other views of culture including culture as symbols (Geertz, 1973; Smircich, 1983; Allaire & Firsirotu, 1984; Harrison & McKinnon, 1999). For example, culture might represent the shared significance of behaviour and social processes in which accountability is acted out. Both of these concepts of culture may be relevant to understanding accountability: culture in the ideational view may affect people's notions of accountability, how they expect accountability to be acted out, and how they use expectations of accountability in their daily life; in contrast, culture as symbols may affect the processes of accountability, that is how people hold each other to account.

As for the Chinese culture, it is worth noting the rapid change both in economy and society since its open-door policy in 1978 (Kynge, 2006). Yet the influences of China's history, traditions, language, government and established business practices are pervasive (Fairbank, 1987). Among Taoist, Buddhist, folklore and other sources, Confucian tradition and philosophy stand out as a defining foundation of Chinese culture (for a contemporary example of Confucian ideals, see China.org.cn, 2011). While it is impossible to summarise the richness of a culture in a few paragraphs, four cultural values based on Confucian thoughts (Child, 1994; Lu, 1996) are relevant to this study.

First is respect for age and hierarchy, based upon the Confucian concept of *li* (礼). Each person is seen as having their position in society. Elders, hierarchy within society, government, business organisations and families are traditionally respected. Related to this is respect for received wisdom, such the teachings of Confucius.

Group orientation is a second Chinese characteristic. The traditional

Chinese social unit is the extended family, which was included by Confucius in his hierarchy of society. Strong attachment to family groups, and to a lesser extent other groups, directs loyalties. With this group orientation, Chinese people tend to see their identity as members of 'in-groups' to which they belong.

The third concern is maintaining 'face'. Idiosyncratic behaviour risks losing face and respect. Maintenance of face connects with group identity, because norms mandate that conflict within an in-group should be kept private, for if publicised the whole group would be demeaned.

There is fourthly the importance of interpersonal relationships within mainland Chinese society. These are most frequently described in terms of *guān xi* (关系), which are long standing relationships built from sharing background, experiences or gifts and favours (Yang, 1994). Importance of interpersonal relationships has a basis in the Confucian regard for maintaining order within hierarchies of family and state, and also in greater concern for rule by people and by morals rather than by the law. In modern Chinese business, personal relationships are extensively used in order to obtain information, to control relations between superiors and subordinates, and to negotiate between people from different organisations. Consequently, trust, reciprocity, and scope for renegotiation, as opposed to the formality, certainty and transparency of explicit contractual arrangements, are expected to count for more in Chinese than in Western business dealings (Child, 1994; Lu, 1996; Carver, 1996; Ch'ng, 1997).

In contrast to China's revolutionary changes, social change in the UK has been more gradual since its civil war and revolution in the 17th century. Although much social and economic change occurred in the 20th century and continues today, it is through evolution rather than revolution.

While British culture has traditionally had respect for hierarchy, it has also had space for challenge to authority, such as by the suffragette movement and the centuries' long struggle for power between monarch and Parliament. It has not shared China's reverence for received wisdom, but has given respect to rebellious thinkers such as Wycliffe, Bacon and Darwin. British culture is less intensely individualistic than some cultures but is far from the group orientation of China (Trompenaars & Hampden-Turner, 1997). It puts more value on an individual's conscience than on the opinion of an in-group, and is spurred more by guilt than face and shame in front of others.

1.2 Methods of the study

The fieldwork was done by the second author between August 1997 and January 1998 with two western based multi-national companies (MNCs) who have operations at UK, Prague and Beijing. The MNCs have asked to remain anonymous, and are identified here as CoX and CoY. Because they are major players in their fields, their industries and markets must also remain confidential. One of them supplies products to industrial customers. It has a largely matrix organisation, and interviewees were selected mostly from its finance and sales functions. The other MNC provides corporate services and is organised by service product division. Interviewees from this MNC were selected mostly from a single service division, although some interviewees were from its finance function. Data was also gathered from documents, emails, computer systems and observation, while business and national press provided contextual data. Findings and analysis in this chapter relate only to the British and Chinese managers because of its research focus, and so the Czech data is dropped.

The fieldwork interviewed 113 people, excluding Czech interviewees, of whom 85 were managers working with the 2 MNCs. Interviewees were initially chosen for the potential variation in views and insights that they may offer. Further interviewees were selected from those expected to challenge and extend the emerging theory. Sampling was therefore neither random nor representative. Figure 1 indicates the national culture, organization and location of the interviewees.

Location		British	Mainland Chinese	Other	Location Total
UK:	CoX	26		4	82
	CoY	12	2	1	
	Other	15	1	1	
Prague:	CoX	1			7
	CoY	3			
	Other	3			
Beijing:	CoX	4	10	12	42
	CoY	1	6	3	
	Other		4	2	
Elsewhere	Other		1	1	2
TOTAL		65	24	24	113
		=====	=====	=====	=====

Figure 1: Number of interviewees by national culture, organisation, and location

Many interviews focused initially on credit control, but then discussed providing control assurance in general. Interviews were conducted in English, which is the working language for the MNCs in all sites of the fieldwork. The researcher at times introduced concepts used by other interviewees in order to check a particular interviewee's opinion on common themes. The study was primarily qualitative and interview based, inquiring into what gave managers the feeling that their business was under control. It was cognitive research into control assurance, for which the building blocks were concepts introduced by interviewees. Discussion of concepts compared what was meaningful to interviewees. Here opinions about other managers were used as much for data on the interviewees, as for their observation of control attitudes in others.

While the study focused on perceptual differences between managers from different countries, differences were also checked between other groupings for the managers, such as between the 2 MNCs, functions, levels of seniority and gender. This demonstrated that differences identified between *national* cultures, were not significant between these other groupings. Although the substantive grounded theory emerged predominantly from managers' opinions, many illustrated with their anecdotes, checking patterns between different groupings of managers required some quantification, such as the proportion of managers who were of a particular opinion. Complexity arose from interviewees expressing a range of views. For example, several described accountability as both equivalent to responsibility, and embracing explanation for behaviour as well as responsibility. A simple ordinal scale was therefore constructed to represent the strength of opinion for each meaning. When aggregated across interviewees, this scale gave a weight of opinion. It represented a position on a range for a category in Strauss and Corbin's (1998) grounded theory research method. Significance of differences in weights of opinion between national cultures and other groupings were checked with the Kruskal-Wallis and Wilcoxon-Mann-Whitney tests.

National culture was identified with an interviewee's country of upbringing, because of the importance of childhood in acquiring national culture (Hofstede, 2001). Interviewees who had spent more than 10 years outside their country of upbringing, and those brought up in Hong Kong, were categorised as having national culture of 'other'.

Cultural data was collected by survey, observation and gathering attitudes

through interview. It was compared to cultural theory (e.g. Hall, 1977; Hofstede, 2001; Trompenaars & Hampden-Turner, 1997) and to literature on cultural characteristics and philosophical traditions.

2. Research findings

This section summarises findings from the fieldwork, which are included in the grounded theory and are relevant to the discussion in light of critical discourse analysis (CDA).

2.1 British conceptualisation of accountability

Accountability, as distinct from responsibility, was identified as important to gaining control assurance by a majority of British managers who explained credit control. When discussing wider management control, accountability was seen as important by many of the British interviewees. Among the 17 British interviewees who saw accountability as important, 6 understood it as virtually identical to responsibility. The other 11 understood accountability as some combination of three component concepts of accountability, namely, responsibility, roles and information. Interviewees described the concept of roles as a component of accountability in terms of being in a position of responsibility and of being owed responsibility. The information related to how the responsibility was being fulfilled, perhaps as responsibility accounting or as qualitative explanation for conduct. This British conceptualization of accountability is further discussed in terms of its components in the following, before a summary.

2.2 British views on responsibility and roles

British responsibility seen in terms of roles

British interviewees described responsibility as what one should do or achieve, typically within some job, functional position or other role. Roles emerged as a characteristically British feature in discussions about control. For example, British interviewees spoke of job descriptions, functional roles, benefits of checks and balances from multiple perspectives on a control issue, and roles within interdepartmental co-operation. Examples ranged from a high level issue of determining which organisational position should be responsible for international standardisation of credit controls across the MNCs, to mundane arrangement of responsibilities for receiving and distributing mail.

British concept of roles

These roles defined how someone within the organisation was expected to behave by superiors, colleagues and subordinates. A manager was expected to assume the responsibilities and interests of a new position in the UK organisation into which he or she transferred. Roles also defined external expectations, such as by a sales manager of customers, and what customers expected from the organisation. There were expectations by the head offices and sister sites, while managers at the sites in the study expected reciprocal support from other sites in their MNCs. They also expected infrastructure, legal institutions, tax regimes and so forth from local authorities. Obligations of responsibility were therefore seen by British interviewees in terms of roles held by people or by organisations.

Formal and informal responsibility

British expectations included informal as well as formal responsibilities. Responsibilities for which people were accountable, were not only set out in formal job descriptions and service agreements, but also implicit in language and behaviour.

Role based interests and conflict of interests

British interviewees identified the interests of people with the particular role they held. For example, some interviewees assumed that sales staff were interested in achieving sales volume, revenue and market share, while finance staff would be more interested in profit and cash flow from sales. An IT manager on transferring to a logistics role was expected to take on the interests of his new department, even though he expected to return to an IT position within the same organisation later in his career.

Each person holds many roles. British interviewees recognised tensions from responsibilities and interests of multiple roles that might be held by an individual. Principal among these was concern about conflicts of interest, including the classic concern in control theory that key duties should be segregated.

Empowerment

While British interviewees tended to see the organisational context of roles, individuals were widely expected to shape their organisational roles. This was expressed as a desire for empowerment. British interviewees widely thought that subordinates should contribute something beyond their defined job or instructions.

British subordinates expected to be given latitude in how they do their work, perhaps subject to some monitoring. These views were reciprocated by bosses expecting their staff to contribute more than fulfilment of formal job requirements and instructions. This empowerment had explicit risks that responsibilities might not be fulfilled. These risks called for commensurate trust from both bosses and subordinates. Bosses trusted their empowered subordinates to act sensibly, to advance wider objectives for the organisation. They were expected to coach and guide their staff, to develop their capabilities. For example:

"Supervision is how you impress upon staff, lead by example, discuss, communicate and so forth. It is doing spot checks and using some form of making sure that people are on top of their job."

Subordinates expected their bosses to give them sufficient latitude and support so they could develop their role towards achieving organisational objectives beyond formal requirements. But this involved risk of recrimination for failure. In this way, subordinates expected, and were expected, to be empowered with appropriate autonomy if they are to be held accountable in their roles. At the same time accountability was seen as necessary to control empowered staff.

2.3 British attitudes to information

A number of examples illustrated a British expectation that monitoring within an organisation be done with free flow of information, transparent to all. One interviewee said that assumptions on which critical decisions were made should be transparent, so that others could monitor the decisions. Another explained:

"I think (British managers) need to demonstrate that people have done what they are supposed to do. ought to be able to follow some kind of audit trail."

However, British transparency was occasionally more extensive than required for monitoring. League tables plotting managers' performance were pinned up in a UK office beside the coffee machine, where all staff could not fail to see them. Some embarrassment was frequently caused to those whose performance appeared below norm, including embarrassment to senior managers. It seemed to be a matter of faith that transparency was necessary

for management control.

The findings indicated a British tendency to see openness with information as enhancing its value. Firstly, wide access to a piece of information may increase opportunities for the information to be used as part of valuable knowledge. Secondly, transparency may increase the opportunities for recipients to challenge the accuracy or relevance of information, thus increasing confidence in its reliability.

There were British views that roles mediate how transparent information contributes to control assurance. Knowing the role of an information provider gives some indication of his or her interests in providing the information, in terms both of timeliness and its integrity.

2.4 Summary of British findings on accountability

To summarise, accountability was found to be important to most British views of providing control assurance. It was generally understood to involve responsibilities that people are expected to fulfil in particular roles. Transparency was also generally important to those notions of accountability. Transparency was seen as needed not only in reporting the extent that responsibilities were being fulfilled, but also for making clear interests, and potentially conflicting interests, that guided people in acting out their roles. Accountability and empowerment within roles were seen as reciprocal facets of an espoused style of management and control.

2.5 Chinese conceptualisation of accountability

Chinese interviewees seemed not to reach a consensus on how to translate accountability into their own language, variously offering Chinese equivalents of *xìnren* (信任), *kědàoxìng* (可靠性), *kěyīlǎixìng* (可依赖性), *jiěshì* (解释), and *biànhù* (辩护). Some could not translate it into their own language, or admitted to ignorance as to what accountability means. A minority, only 3 out of 14 Chinese interviewees, offered a distinction between accountability and responsibility, describing accountability as a combination of responsibility with either information or a relationship to whom it is owed, or as responsibility resting with an organisation rather than a person. More fundamentally, interviewees suggested that the typical Chinese preference for secrecy and lack of transparency is incompatible with accountability in the sense of holding someone to account. This Chinese conceptualisation is also

discussed in terms of its components, namely responsibility, relationships between people and attitudes to information.

2.6 Chinese responsibility

Responsibility to in-group

Chinese interviewees generally emphasised responsibility. Chinese explanations were in terms of how people personally relate to their in-group, and rarely of role based responsibility:

"If I give credit to a customer, they cannot pay me, what is the reaction of the other people, my colleagues?"

This sales manager explained that if the organisation lost a significant sum because he failed in his responsibilities, he would not know what he could say to his boss; he would have seen no option but to leave the company. Another explained how school children's responsibility to study hard was expected by their teachers and parents. These examples illustrate shame felt before important members of a Chinese person's in-group, and loss of face, if he or she failed to fulfill a responsibility.

In contrast to British views on responsibility, there was little if any evidence of Chinese views that responsibility should be owed between organisations. For example, relationships between salesmen and customers were expected to be interpersonal, perhaps supported with *guānxi* (关系) built up by the salesman with particular individuals.

Responsibility as moral burden or feeling of duty

Chinese staff generally talked of feeling responsible. They described this feeling of responsibility or duty as felt by staff in their working life towards others within their in-group. Responsibility within an in-group is a facet of group orientation, which Child (1994) puts forward as a reason for difficulties in development of individual responsibility within mainland China.

Summary of Chinese responsibility

Responsibility for most Chinese interviewees therefore appeared to mean a strong personal duty reinforced by fear of losing face. Responsibilities tended to be identified not in terms of jobs or of roles, but of in-groups, which identify the people before whom the shame of losing face is felt. Chinese responsibility tended to be seen as interpersonal, rather than inter-role as tended to be seen by British interviewees. However because many of these

interpersonal relationships relevant to control assurance fell within organisations, Chinese views of organisations throw some light on their concept of responsibility.

2.7 Chinese views on intra-organisational relationships

Chinese hierarchy

The predominant weight of opinion among Chinese interviewees on organisational structure was in terms of hierarchy more than of roles. Where teams were described, they were hierarchical: Chinese team leaders were seen as people who bear responsibility and are looked to for resolving intra-team problems. This was very different from the flat teams understood by British interviewees, in which each member was expected to contribute in a role more than in support of the team leader.

Strong hierarchy was evident in the emphasis that a subordinate should always, as a matter of duty, respect his or her superior (see also Ch'ng, 1997; Morris et al., 1998). For example:

"Bill Gates is not such a dictator as Li Ka Shing^①. In Chinese companies the boss really exercises authority, much more than in Western companies where everybody thinks that they can contribute their ideas".

Another example was:

"In China, like other communist countries, decisions are made at a very high level. ... Our education is wide and superficial, so we are not experts in any field. The boss is worried he will lose face if you have a brilliant idea, which can be very embarrassing. You can have a brilliant idea, but it depends on the leader whether they listen."

This Chinese type of organisational hierarchy was described by some interviewees as paternal and as a surrogate for 'Confucian hierarchy' (see also Ch'ng, 1997). It contrasted with British preferences for empowering staff.

Reliable not empowerment

Chinese staff and managers expected staff to be reliable, rather than to make a wider contribution to organisational objectives. This was inconsistent with empowerment. One quoted the saying: *bùqiú yǒugōng, dàn qiú wúguò*,

^① Bill Gates is the co-founder and Chairman of Microsoft. Li Ka Shing of Hong Kong heads the business empires of Cheung Kong and of Hutchison Whampoa.

(不求有功, 但求无过) "you don't need to earn merit, just don't make mistakes."

2.8 Chinese availability of information

At the time when this research was conducted, there was not as much public information available for credit control in Beijing as in the UK (see also Emmanuel et al., 2001). Besides lack of published accounts for unlisted companies, there were no public registers of property holdings and land securities, publication of court decisions, or markets for credit information.

Reluctance to volunteer information

A number of comments illustrated reluctance by Chinese people to appear conspicuous from volunteering information or ideas, the implication being that to stand out is to risk losing face. Related to this was Chinese concern for the virtue of studied modesty, of not wanting to stand out as better than others. For example:

"We are influenced by Confucius who said you should be obedient and modest. Also proverbs we were told by our elders when we were young, and are still told by mothers today to their children, such as, *yǔshìwúzhēng* (与世无争) 'Hold oneself aloof from the world, stand aloof from success and you will be safe'; and also *rénpà chūmíng, zhūpàzhuàng*, (人怕出名猪怕壮) 'Man fears fame, like pigs fear getting fat'."

Chinese staff appeared to favour vertical rather than lateral communication (see also Child and Lu, 1996). For example, there was greater evidence of problems in Beijing than in the UK from insufficient communication between departments that reported to different superiors. There was also reluctance to communicate information among friends. A Hong Kong interviewee said he found it strange how Western people on a Friday evening like to go to a bar, to talk after work, to tell stories. Another example showed how mainland Chinese managers prefer not to be in a position where information can be used as evidence against them. Chinese members of a joint venture were described as liking critical internal audit findings to be communicated verbally, rather than being put in writing: they received the message but were not threatened by written evidence.

But excellent communication within in-groups

Amid Chinese reluctance to be open with information, there was evidence

also of rapid communication within in-groups to support or even strengthen interpersonal relationships. Among some senior Chinese executives within a management team there may be clear understanding that bad as well as good news needs to be communicated in both directions, and that this communication should be more rapid, direct and frank than is typical among Western senior managers. As another example, a manager threatened a non-paying customer in Inner Mongolia, and heard about his threat the next day from someone in Beijing.

A conclusion of the grounded theory was that Chinese managers tend to see information not as a public commodity, but as losing value when it is widely held. Therefore, narrowly held information within an exclusive in-group can be valued where it enhances interpersonal relationships and knowledge based influence. This contrasts with British strongly held preferences for transparency: that information increases in value when it is widely held (see also Emmanuel et al. 2001).

2.9 Summary of findings on Chinese concepts

Although Chinese interviewees working for the two MNCs were generally familiar with the word 'accountability', it was not raised by them when explaining management control. There was no consensus on how to translate it into Chinese.

Although there was much emphasis by Chinese interviewees on the importance of responsibility, they generally saw responsibility as interpersonal, which differed from British views of inter-role or inter-organisational responsibility contributing to management control.

Information was important to all who explained what gives control assurance. But whereas British managers saw accountability and management control enhanced by transparency of information, Chinese interviewees tended to see the value enhanced when it is narrowly held and used to support exclusive interpersonal relationships.

Chinese managers' explanations of management control were generally inconsistent with staff empowerment. They saw neither side of the marriage between accountability and empowerment as important to management control.

These grounded theory findings are about accountability and its component concepts within the scope of management control. They do not

imply that wider accountability, such as political accountability (Day & Klein, 1987) or social accountability for risk (Douglas & Wildavsky, 1983), are necessarily alien to Chinese society or culture.

3. Discussion

The findings from the fieldwork of grounded theory study reveal differences of the Chinese and British managers' perception of accountability. The differences here are further discussed in relation to the context where they occur, focusing on 1) the influence of cultural factors on the perceptions, and 2) the inter-relation of these perceptions. For the second issue, the discussion will go further to relate to issues such as meaning, power and appropriation, as it involves language use and its users.

3.1 The fieldwork context

The grounded theory study analysed apparent relationships between management control concepts and the context, including the national culture in which interviewees were brought up as children, the organisation for which they worked, their level in its organisational hierarchy, and their gender. This was done both with qualitative analysis and with non-parametric statistical analysis. The analysis is described more fully in Williamson (2004). It confirmed that the findings identified here as significant tendencies varied according to the nationalities of the interviewees, rather than organisational or other groupings of the interviewees.

Nevertheless, institutions were also identified as contextual factors relevant to, and no doubt influencing, the concepts and meanings for the managers in this study. Institutions of political systems, the law, accepted audit practices, public availability of information, and education systems were salient contextual factors. There were also other contextual factors of market forces and philosophical traditions such as teachings of Confucius. The extent that national culture influenced institutions and these other factors, or that culture was influenced by these other contextual factors, could not be unravelled: they appeared to work hand-in-hand together as the social context within which these managers used accountability and related concepts in providing control assurance (Williamson, 2005). Also contemporary change and uncertainty was repeatedly referred to by interviewees. The context for the views expressed by managers in this study

therefore appeared to be a mutually interacting complex of culture, institutional and market forces that changed and adapted over long and short timeframes, from early history to current day to day developments.

However, the perception of the concept of accountability does not remain passive in the context-influencing process. In one sense, it is people, the British and the Chinese managers in this case, who understand the concept, and this mental perception requires active thinking as well as mutual influencing. Here beyond the contextual factors, identified in the grounded theory study, come the factors of people between whom text is communicated: "It is not the speaker alone who offers context to statements and generates context, but the other parties in the communication process do so as well ... meaning is always a meeting of (at least) two minds and consciousnesses, creating results that cannot be reduced to either one of them." (Blommaert, 2005, 43-44). This opens the analysis to recontextualisation of these accountability concepts.

3.2 Recontextualisation of accountability

Recontextualisation is transferring text from one context to another, where the text may be open to reinterpretation (Blommaert, 2005; Brannen, 2004). It can be employed as a discursive strategy in social practice because of the new meaning raised by the new interpretation of the original text in the new context (see e.g. Tian 2010 for an example in the educational sector). For that reason, British managers in this study were trying to recontextualise their notions of accountability, empowerment and transparency into the Beijing sites. Chinese managers at the Beijing sites were recontextualising their own concepts of interpersonal responsibility, paternal hierarchy and closely held information into the context of working for these Western MNCs.

The two expatriate Chinese managers working for CoY had previously worked for the MNC in mainland China. It selected them for career development in the UK, and expected them to return to work for it in China. These expatriates' perceptions of accountability, responsibility, transparency and empowerment seemed to be a mixture between typical British and Chinese views. Perhaps this reflected their appropriation of British viewpoints during their work in the UK. But they might have been selected for their development positions because of their exceptional understanding of Western management practices and concepts, or even been recruited by CoY because

they already had some insight into discourse resources and practices of Western management. One of them had previously studied and worked in the UK. Both were clearly exceptional young managers.

But the major finding about recontextualisation was failure by British expatriate managers to introduce their concepts of accountability in Beijing. These were generally not understood by local managers in those sites. British managers had some but limited awareness of inconsistencies between Chinese notions of responsibility and British accountability. Several British managers were frustrated by Chinese attitudes to roles and transparency. Such failure might have presented three problems.

Firstly, British managers in using concepts such as accountability, empowerment and transparency were attempting to build institutions of expected behaviour, to promote their own ideology in the sense of a set of ideas that they sought to make dominant in their organisation. For example a British manager, newly appointed as credit controller, was concerned about the level of service and credit control he expected his department to provide across functional boundaries. He set out to communicate the content and strength of his expectations in the tone of his voice, corridor chats and his intervention by email and at meetings. This communication made it clear that he would hold his subordinates and managers of other departments to account for achieving the credit control standards that he was introducing. This was relatively unproblematic at his location in the UK. However, problems arose in China from reluctance of departments to be transparent in exchange of information, and when instructions were given to staff without sufficient attention to expected interpersonal relations between superiors and subordinates. British managers faced some frustration in building the institutional expectations for accountability that they thought important to control assurance.

A second, at least potential, problem was constrained communication ability or limited discourse resources. Although the Chinese staff working for the 2 MNCs in Beijing were proficient in spoken and written English, lack of understanding or of confidence in using key concepts such as accountability no doubt limited their ability to talk the talk of the British managers, and to meet the British aspirations for accountability based management. Limited discourse resources were a two way problem, as only British managers seasoned with longstanding local experience appreciated Chinese concern for

face and *guānxi* (关系) type relationships. This was perhaps a problem for Chinese managers who wanted to gain esteem among their British colleagues. It was also a problem for British managers who were limited in understanding the undercurrents of meaning, and in assessing the extent that indigenous controls such as interpersonal relationships were contributing to control assurance.

There was probably a third problem: limited resource in using accountability discourse may have impeded promotion of local staff to senior positions, which was policy for both of the two MNCs. But again this was not pursued in the fieldwork.

3.3 Linguistics of 'accountability'

The grounded theory study found linguistic differences between interviewees of different national cultures. Firstly there were variety and difficulties in how the word 'accountability' was understood and how it was translated into mandarin Chinese language. This was difference in the meaning of the word 'accountability'.

Secondly, and more fundamentally, Chinese interviewees, unlike their British counterparts, generally did not identify accountability as important to providing control assurance. Nor generally did they identify transparency, roles and empowerment as important to control assurance. These were differences in what is meaningful. There were also concepts implicit in British views and theory of accountability, such as organisational structure and information, that were meaningful to the Chinese managers but for reasons different from British managers.

Thirdly, comparison of meaning and of what is meaningful gave insight into differences in interviewees' cognition of what provides control assurance. These constituted differences in the degree that tools of control, such as enactment of accountability and insistence on staff reliability, were relied on to give control assurance. These differences led to incomplete, or to challenged, institutions of management control within the Beijing sites of these two MNCs. Organisational cultures and institutions at these sites did not (yet) include taken for granted attitudes to accountability, empowerment and transparency. These control tools, seen as important by British managers, faced inconsistencies in Beijing with indigenous reliance on inter-personal responsibility, paternal hierarchy, and closely held information.

3.4 Power, colonisation and appropriation

CDA describes how discourse is infused with power (Blommaert, 2005; Urban, 1996). A speaker or writer has power to choose whether and what to communicate. A listener exercises power in choosing what attention and feedback, verbal or non-verbal, to give the speaker, and whether to grant credibility. Power also rests with those who record discourse and narrate it in new settings, and this includes power of accountants. This power of accountants in this study included choosing how to narrate accounts of the extent that responsibilities were fulfilled, selecting variables and recipients for control reports, and in writing local procedures. Power rests also with wider audiences in how they respond. The community or wider society has power of metadiscourse in setting the norms of what discourse and responses are acceptable. This metadiscourse was seen in the UK and Beijing in continuing discussion and development of how management control systems are implemented and adapted to local situations.

Discourse itself supports the power of those who have the discourse resources to use it convincingly. Within communities that consider accountability to be a hallmark of good management, managers who succeed in using the discourse of accountability authoritatively enhance their power over those who do not.

Power and discourse can promote ideology. Accountability discourse was an ideology, at least among British managers who tried to use their power to promote how management control should be enacted. Yet accountability discourse carried its own ideological baggage. British talk about accountability generally implied that there should also be transparency, empowerment, and clear responsibilities without conflicts of interest.

CDA describes processes of colonisation when ideology is recontextualised to a new context, such as British attempts in this study to promote notions of accountability in the Beijing sites. An ideology may become institutionalised as taken for granted norm in a new setting. Once institutionalised, a particular discourse confers power when members of a community dare not challenge it. Discourse of accountability was institutionalised in the UK sites, but had not colonised the Beijing sites.

However, before recontextualised concepts can be institutionalised, they need to be appropriated by people in the new setting. Appropriation includes understanding meaning of the new terminology. It also includes attaching some

level of importance to concepts carried by the terminology, so that they become meaningful. Appropriation may ascribe new meanings and interpretations, which may be unintended by those who introduced the new discourse. The study found not only much incomprehension of accountability in Beijing, but also substitution by indigenous notions of responsibility. This adoption of a foreign notion of accountability was not overtly imposed appropriation, such as the colonisation of accountability described by Broadbent, Laughlin and Read (1991), but rather voluntary buying into notions promoted by expatriate British managers.

Although attempts of British managers to colonise the Beijing sites with their notions of accountability generally failed at the first hurdle of understanding and meaning, there was greater success with other control concepts. The head office of one of the MNCs was attempting to standardise some credit controls across its global operations. This would have been colonisation with new discourse and norms of acceptable action. During the study, meaning of at least part of this discourse was understood in the sites, but there were doubts over what the implications might be, and it was not yet accepted as meaningful. Other aspects of management control within each of the MNCs were so widely accepted that they were not questioned but taken for granted. These included budgetary control, time management and cash control.

4. Concluding remarks

The field work was conducted in 1997 and 1998 by the second author. Prevalent attitudes and language are changing in Beijing, and to a lesser extent in the UK. However, inquiry by the same researcher as recent as 2009 shows that there is still wide variety in how 'accountability' is translated into Chinese. Fifteen different translations, beyond those found in the grounded theory study, were given by Chinese accounting students studying in the UK, including *yìwù* 义务 (obligation), *fùzérén* 负责任 (be responsible), *kěguānàxìng* 可归纳性 (able to summarise), *shuōmíngxìng* 说明性 (able to explain), *jìzhàng nénglì* 记帐能力 (able to account for transactions). The Chinese Management Science Association (2008) gives yet another translation for accountability as *wènzézhì* 问责制 (responsibility system), which they explain in terms only of the public sector.

Seen as a cross-sectional study, this grounded theory study shows how

understanding of accountability depends on culture, and how the discourse of accountability depends on its context, at a historical point in time. Some managers had limited ability to engage in and contribute to accountability discourse. However, seen longitudinally, the study sheds some light on the processes of recontextualisation and colonisation, and further some social change, in terms of the conceptualisation of the concept of accountability. Domination by British notions of accountability was not a foregone conclusion. Promotion of local staff at the Beijing sites, could have turned the tide towards institutionalisation of indigenous notions of control, or led to a settled institutionalisation of an amalgam of local and foreign notions of control. The return of local staff as senior managers in Beijing, following expatriate postings in other countries, might have added further uncertainty to what notions of control would be institutionalised. The somewhat recently accepted translation of accountability as *wènzézhì* (问责制) may serve as an evidence of this change, a complex process of recontextualisation of the concept involving colonisation by expatriates with their ideology, limited discourse resources by expatriate and local staff, and selective appropriation by indigenous staff of such foreign discourse.

This chapter shows linguistic barriers to how managers can practise or impose management control through accountability. The concept accountability within management control carries with it cultural and institutional baggage. Language is important to management control, shaping not only what can be said, written and understood, but also what concepts are meaningful and can be used to maintain or to change organisational practice. This study may make a modest contribution to changing organisational practice by increasing awareness of these management barriers, and of potential for resisting colonisation that is unwelcome.

References

- Adler, N. (1983). A Typology of Management Studies Involving Culture, *Journal of International Business Studies*, Fall, 29 - 47.
- Ahrens, T. (1996). Financial and Operational Modes of Accountability: differing accounts of British and German managers. In R. Munro & J. Mouritsen, *Accountability: Power, Ethos & the Technologies of Managing*. London, UK: International Thomson Business Press.

- Allaire, Y. & Firsirotu, M. (1984). Theories of Organizational Culture, *Organization Studies*, 5, 193.
- Bernstein, B. (1990). *The Structuring of Pedagogic Discourse*. London: Routledge.
- Blommaert, J. (2005). *Discourse*. Cambridge: Cambridge University Press.
- Brannen, M. (2004). When Mickey Loses Face: Recontextualization, Semantic Fit and the Semiotics of Foreignness, *Academy of Management Review*, 39, 4, 593-616.
- Cadbury Committee (1992). *Report of the Committee on the Financial Aspects of Corporate Governance*. London: Gee.
- Carver, A. (1996). Open and Secret Regulations and their Implication for Foreign Investment. In J. Child & Y. Lu *Management Issues in China, Volume 2: International Enterprises*. London: Routledge.
- Child, J. (1994). *Management in China During the Age of Reform*, Cambridge: Cambridge University Press.
- China.org.cn (2011). *County Officials: No Filial Piety, No Promotion*, http://www.china.org.cn/china/2011-01/19/content_21773575.htm. cessed 3/1/12.
- Chinese Management Science Association (2008). *Management Dictionary*, Beijing, PRC.
- Ch'ing, D. (1997). Managing the Relationship Factor in East Asia. *Monash Mt. Eliza Business Review*, 1, 62.
- Chow, D.W., Kato Y. & Merchant, K. (1996). The Use of Organizational Controls and Their Effect on Data Manipulation and Management Myopia: A Japan v US Comparison. *Accounting, Organizations and Society*, 21, 2/3, 175 - 192.
- Fairbank, J.K. (1987). *The Great Chinese Revolution 1800-1985*. London: Chatto & Windus.
- Fairclough, N. (2003). *Analysing Discourse: Textual Analysis for Social Research*. London and New York: Routledge.
- FRC (2010). *The UK Corporate Governance Code*. London: Financial Reporting Council
- Frucot, V. & Shearon, W. (1991). Budgetary Participation, Locus of Control, and Mexican Managerial Performance and Job Satisfaction. *The Accounting Review*, 66, 80.
- Geertz, C. (1973). *The Interpretation of Cultures*. New York, Basic Books.
- Hall, E. (1977). *Beyond Culture*. New York: Anchor Books.

- Harrison, G. & McKinnon, J. (1999). Cross-cultural Research in Management Control Systems Design: A Review of the Current State. *Accounting, Organizations and Society*, 24, 483.
- Hofstede, G. (1991). *Cultures and Organizations: Software of the Mind*. Maidenhead, UK: McGraw-Hill.
- Hofstede, G. (2001). *Culture's Consequences*. Beverly Hills, Calif: Sage Publications.
- Kynge, J. (2006). *China Shakes the World: The Rise of a Hungry Nation*. London: Weidenfeld and Nicolson.
- Lu, Y. (1996). *Management Decision-Making in Chinese Enterprises*. London: Macmillan Press.
- Morris, M., Williams K., Leung K., Larrick R., Mendoza M., Bhatnagar, Li J., Kondon M., Luo J-L & Hu J-C (1998). Conflict Management Style: Accounting for Cross-national Differences. *Journal of International Business Studies*, 29, 729.
- Silverstein, M. and Urban, G. (1996). *Natural Histories of Discourse*. London: University of Chicago Press.
- Smircich, L. (1983). Concepts of Culture and Organizational Analysis. *Administrative Science Quarterly*, 28, 339.
- Strauss, A. & Corbin, J. (1998). *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*. Thousand Oaks, Calif: Sage Publications.
- Tannenbaum, A., Kavčič, B., Rosner, M., Vianello, M. & Weiser, G. (1974). *Hierarchy in Organizations*. San Francisco: Jossey-Bass.
- Tian, H. (2010). Discursive Production of Teaching Quality Assessment Report: A Critical Discourse Analysis. *Journal of Language and Politics*, 9(4): 574-592.
- Triandis, H. (1995). *Individualism and Collectivism*. Boulder Colorado: Westview Press.
- Trompenaars, F. & Hampden-Turner, C. (1997). *Riding the Waves of Culture: Understanding Cultural Diversity in Business*. London: Nicholas Brealey.
- Urban, G. (1996). Entextualization, Replication and Power. In Silverstein, M. and Urban, G. *Natural Histories of Discourse*. London: University of Chicago Press.
- Van Leeuwen, T. (2008). *Discourse and Practice: New Tools for Critical Discourse Analysis*. Oxford: Oxford University Press.

- Williamson, D. (2004). Researching Culture in the UK, Mainland China and the Czech Republic. In Sevic, Z. *Accounting and Finance in Transition*, volume 1. London: Greenwich University Press.
- Williamson, D. (2005). Management Control Assurance in the Different Cultures and Institutions of China and the UK. In Brown, D. and MacBean, A. *Challenges for China's Development: An Enterprise Perspective*. Oxford: Routledge.
- Yang, M. (1994). *Gifts, Favours and Banquets: The Art of Social Relationships in China*. Ithaca NY: Cornell University Press.

Nankai Discourse Studies Series

General Editors:

Tian Hailong (Tianjin University of Commerce)

Ding Jianxin (Sun Yat-sen University)

Nankai Discourse Studies Series (NDSS) views discourse as social practice, and promotes interdisciplinary approaches to discourse. It publishes monographs and themed volumes that explore the complexity of discourse in relation to society, particularly to the socio-political transformations in contemporary China. It also publishes introductory textbooks that prepare students for research on discourse studies.

Advisory board (in alphabetic order)

Cao Qing (Durham University, UK)

Chen Xinren (Nanjing University)

Paul Chilton (Lancaster University, UK)

Dou Weilin (University of International Business and Economics)

Du Jinbang (Guangdong University of Foreign Studies)

Ji Yuhua (Xiamen University)

Li Yi (Nankai University)

Liu Chengyu (South China Normal University)

Miao Xingwei (Beijing Normal University)

Ouyang Huhua (Guangdong University of Foreign Studies)

Qian Yufang (Zhejiang University of Media and Communications)

Shi-xu (Zhejiang University)

Wang Jinjun (Yunnan University)

Wang Zhenhua (Shanghai Jiaotong University)

Ruth Wodak (Lancaster University, UK)

Wang Wei (The University of Sydney, Australia)

Wu Zongjie (Zhejiang University)

Xin Bin (Nanjing Normal University)

You Zeshun (Fujian Normal University)

Zhang Qing (Arizona University, US)

Contents

Notes on Authors	1
------------------------	---

Introduction

Language, Discourse and Identity in Globalized China	1
<i>Qing Cao and Hailong Tian</i>	

PART ONE LANGUAGE USE IN CROSS-CULTURAL CONTEXT

Chapter One

The Concept of Accountability in Management Control: British and Chinese Perceptions and Their Recontextualization	3
<i>Hailong Tian and Dermot Williamson</i>	

Chapter Two

Cultural Conditionality of Comprehension: The Perception of Autonomy in China	26
<i>Jana S. Rošker</i>	

PART TWO LANGUAGE USE IN GLOBAL CONTEXT

Chapter Three

Reimagining Traditions: The Role of Culture in China's External Relations	45
<i>Qing Cao</i>	

Chapter Four

Hybridity of Discourses towards Globalization: Rearticulating Management Discourse in China Travel Service	71
<i>JIN Linghui and WU Zongjie</i>	