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“Persuasiveness of incomplete financial calculations and the role of meta-information: A case study”

Abstract

Management accounting information is inherently soft and incomplete: it is uncertain and leaves out facets organizational actors consider important as well. Calculations about future investments, cost and revenues are a compelling example. We can understand these as inscriptions, in the form of spreadsheets, presentations, memos, emails and other artefacts. These do not stand as representations of a future reality, but they recreate and make visible people’s expectations, hopes, and fears about the uncertain future. How do soft and incomplete calculations become persuasive and influential? This study adds to prior literature by focusing on the role of meta-information on how a calculation has been conducted (for example, information about the sources of particular input data or technical details of the calculation method). We analyze how providing meta-information may help to “harden” information and make more influential. Meta-information can be used, firstly, for showing that the calculation has undergone scrutiny and, secondly, for enhancing the comparability of the calculation to other information or reference points that are important for organizational actors. We also investigate how accountants have their own agendas and deliberately disclose meta-information to increase the persuasiveness of their calculations for advancing their agendas. They can exploit meta-information to reverse and focus the burden of proof, and they can use it to open and close the window of opportunity for challenging a calculation. Meta-information becomes something potentially influential, because the calculation has limitations that can be talked about. Incompleteness and softness turn meta-information into a lever accountants can use to increase the persuasiveness of the information they provide. We conducted a field study during three years at a management accounting department in product development at a car company. Through an interventionist case study, we could follow in great detail three episodes around decisions and calculations concerning the technical concepts of several new cars.