Systems of secrecy: confidences and gossip in management accountants' handling of dual role expectations and MCS limitations

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Abstract

The article shows how secrecy - defined as the purposeful revelation of information to some and not others - is used by management accountants to pursue their roles as independent business controllers and nurture the social proximity required to be sought-after business advisers. The paper examines management accountants' retentive and communicative strategies in reporting practices in a subset of a large multinational company. It conceptualizes systems of secrecy as the purposeful articulation between two types of revelations (confidences and gossip). It shows how confidences and gossip can be successive steps that structure informal reporting information flows and close social interactions helpful in dealing with tensions arising from attempts to manage interdependencies and to achieve individually specified targets. The article contributes to the literature on the dynamics of management accountants' dual role by showing how they overcome the tensions between conflicting expectations through tactful and judicious distribution of information. It shows how the articulation of confidence and gossip creates a specific format of accounting talk which facilitates compromise through the succession of private one-on-one discursive spaces. It also complements the literature on management control systems (MCS) by giving a nuanced account of the virtues of secrecy in order to mitigate some of the unanticipated adverse effects of performance evaluations.

Keywords: confidences; gossip; management accountants; secrecy; Simmel.

"To keep a secret consists of telling it to only one person at a time."
Les Trois Mousquetaires (movie adaptation 1953)
Script: Michel Audiard

1. Introduction

Decentralized forms of management and the need for greater innovativeness are among the reasons that support the evolution of management accountants' roles from 'bean counters' to 'business partners' (Jarvenpaa, 2007; Granlund and Lukka, 1998; Goretzki et al., 2013). Yet, this dynamic is not one of replacement but one of juxtaposition, leading many management accountants to endorse hybrid roles characterized by tensions between the two different functions (Caglio, 2003; Burns and Baldvinsdottir, 2005; Horton and de Araujo Wanderlay, 2016). As a consequence, numerous management accountants are unsure of how to act as they experience the "divided loyalty" intrinsic to their roles as "partners of operational management" and as "financially objective informers of boards" (Ahrens, 1997, p.633). Articulating the two types of activities is indeed a difficult challenge (Busco et al., 2008; Lambert and Sponem, 2012). It is also an important issue of practical relevance because management accountants' ability to combine control and advisory responsibilities increases the use and quality of reporting information (Byrne and Pierce, 2007) and allows for selective "before the fact control" (Sathe, 1983). An objective of this article is thus to better understand how management accountants simultaneously pursue their responsibilities as independent controllers and as collaborative advisers. It therefore contributes to the literature on professionals' strategies to cope with role conflict (e.g. Hall, 1972; Hopper, 1980; Maas and Matejka, 2009) by identifying avenues to alleviate some of the difficulties experienced by management accountants confronted by multiple role expectations.

The article builds upon empirical evidence from a case study offering insights about management accountants' communication strategies in their relations with operational and general managers. Its theoretical framework is inspired by previous studies on organizational secrecy, defined as the "ongoing formal and informal social processes of intentional concealment of information from actors by actors in organizations" (Costas and Grey, 2014, p.1423). More specifically, the article relies on Simmel's (1906) seminal work associating secrecy with a permanent in and out-flow of content characterized by the purposeful revelation of information to some and not others. According to Simmel, secrecy is intimately bound to moments of revelation in which what was originally concealed throws off its mystery, usually to one single individual at a time (as suggested in the introductory epigraph). The article identifies two kinds of information disclosure intimately linked to secrecy: confidences and gossip. These are what Costas and Grey (2014) call “semi-revelations” i.e. secret information that is shared with some while remaining hidden from wider public view. Confidences are voluntary disclosures of personal information about oneself or one's activities that are passed on in confidence. Gossip is also a form of revelation but its object is referring to a *third person* not physically present during the exchange (Mills, 2010). This article documents the existence of systems of secrecy characterized by the successive disclosure of secret information, first through confidences and then through gossip. We argue that systems of secrecy are useful to management accountants for coping with some of the difficulties associated with their dual roles in organizations by supporting trustful relations with their interlocutors both at operating and firm headquarters levels.

Although secrecy is commonly seen as dysfunctional (Bok, 1982), the present article focuses on its virtues and benefits (Dufresne and Offstein, 2008; Keane, 2008). Secrecy is indeed valuable for managing tensions between sharing and withholding information (Costas and Grey, 2016; Fine and Holyfield, 1996). It helps management accountants answer questions such as *what* information is to be shared, with *whom*, and *when* (Nelson, 2016). It is a tool that can be deliberately and strategically used to achieve certain goals (Birchall, 2016; Simmel, 1906). This is illustrated by our case study of Elevator[1] , a large multinational lift manufacturer. The study identifies management accountants’ use of systems of secrecy to invigorate a sense of interdependence and community between organizational actors despite their respective reasons to try to outwit each other. The article also shows how secrecy mediates the communication between management accountants, operational workers and executive managers, contributing to maintaining a flow of information across different management levels and occupations. Lastly, the article also draws upon and contributes to existing literature on the role of verbal communication in relation to management control systems (MCS) (Hofstede, 1968). It notably demonstrates how the articulation of confidence and gossip creates a specific format of accounting talk which facilitates compromise between individuals with different interests not by producing concurrent visibilities but through the

[1] This is a pseudonym.

succession of private one-on-one discursive spaces. More generally, a second objective of the article is thus to better understand how a more careful and nuanced articulation of information related to the estimation and motivation of future economic performances mitigates the unanticipated effects of MCS. The article illustrates how, when MCS offer opportunities for sub-optimal behavior, skillful management accountants may use secrecy to shape interactions away from decisions potentially harmful to the collective. This point is of particular importance in a contemporary organizational context supportive of technological solutions fostering transparency to the detriment of face-to-face private interactions (Roberts, 2009; Strathern, 2000).

The remainder of the article is structured as follows. A literature review summarizes current knowledge about the ways in which management accountants deal with dual expectations. Existing research on the links between MCS, verbal communication and trust as well as on the potential virtues of secrecy is also addressed. Section 3 introduces the concepts of confidence and gossip and how they are articulated into systems of secrecy. The case study and research method are briefly introduced in section 4 before a detailed account of the Elevator case study brings empirical evidence of the management accountants' use of systems of secrecy (section 5). Section 6 discusses the main findings of the paper before some concluding remarks in section 7.

2. Literature review

The paper builds on previous research on the informal communication strategies used by management accountants confronted by contradictory role expectations (section 2.1.). It also relies on the literature drawing connections between verbal communication, MCS and trust (section 2.2.) as well as on extant research about potential virtues of secrecy (section 2.3.)

2.1. Management accountants' discursive strategies for handling role conflict

Katz and Kahn (1978) define role conflict as "the simultaneous occurrence of two or more role expectations such that compliance with one would make compliance with the other more difficult" (p.204). Management accountants experience such conflict when balancing between their role as "book-keepers" focusing on reporting quantifiable and verifiable information to corporate managers, and their role as "service-aid" to middle management (Hopper, 1980; Sathe, 1983). These two distinct duties are difficult to reconcile (Lambert and Sponem, 2012) and management accountants feel more comfortable when pursuing the intention to either cooperate with operational managers or to opt for the "independent path" (Maas and Matejka, 2009). A common solution to avoid the dilemma associated with contradictory demands is for the management accounting function to assign dedicated individuals for each kind of responsibility (Byrne and Pierce, 2007). Yet, management accountants' role profiles are unlikely to be adequately characterized by singular notions of 'independence' and 'involvement' (Horton and de Araujo Wanderlay, 2016). Empirical studies show that, in practice, management accountants are often hybrids (Caglio, 2003), simultaneously operating a bundle of different activities (Mouritsen, 1996). Challenges associated with role hybridity are particularly vivid for management accountants confronted with budgetary gaming and slack management. Management accountants occupy an ambivalent position in these games, given that they take on the roles of corporate cops and of renegades (Lambert and Sponem, 2012). Many see performance manipulation as a form of resistance against excessive pressure exerted by shareholders (Lambert and Sponem, 2005; Macintosh, 1995). Organizational slack and income smoothing are thus expressions of a much needed 'area to play' (Hofstede, 1968, p.8) and a way to offer essential flexibility (Abernethy and Lillis, 1995), to promote long-term thinking (Van der Stede, 2000) and to encourage the pursuit of goals other than merely meeting budget targets (Davila and Wouters, 2005). Attempts to smooth performance figures can nonetheless also have detrimental effects, such as damaging companies' profits and overinflating individuals' compensations (Brown et al., 2014). In this context management accountants are expected to be arbiters, preserving information reliability despite manipulations (Faure and Rouleau, 2011). They mediate the pressure of budgets, pointing out acceptable and unacceptable conduct (Mouritsen, 1996; Gul et al., 2003). In addition to being excellent technicians, they are therefore called to be 'tactful' and 'specialists in the human side' (Hofstede, 1968, p.244). Management accountants who succeed at being both "involved" and "independent" rely on skills such as "being judicious in communicating sensitive information" as they adapt their discourse to their different audiences (Sathe, 1983, p.37). However, little is known about how management accountants actually manage to be "judicious" in their communication.

2.2. MCS, verbal communication and trust

In this article, MCS are defined as "system[s] of organizational information seeking and gathering, accountability and feedback" (Lowe, 1971, p.5) which formalize procedures and routines implicated within the production and reproduction of knowledge [2] (Burns and Scapens, 2000). The major purpose of MCS is to improve decision-making and influence employees so that they cooperate more effectively with each other (Busco et al., 2008). However, such "ideals" are usually not translated into MCS in a linear way (Dambrin et al., 2007). MCS often have unintended consequences and effects, especially on the informal side of communication. Indeed they are a "two-edged sword" due to their tendency to unexpectedly prompt intra-organizational competition (Luft, 2016), to be counterproductive (Earl and Hopwood, 1980) and even sometimes "detrimental to the very processes they are intended to support" (Preston, 1986, p.538.). Remarkably, the effects of MCS depend not so much on their specifics but on how they are used (Marginson, 2002) and especially on the existence (or not) of informal two-way channels of communication built around them (Hofstede, 1968).

There has been ongoing research interest in the detailed practices surrounding the circulation of accounting information. Formal technical arrangements and social interactions are usually interconnected (Preston, 1986), and MCS are no exception. Formally directed procedures are accompanied by informal channels of social interactions (Hall, 2010). For example, accounting procedures nourish discussions which give access to information that is tacit, speculative and informal, offering opportunities to learn about distant operations (McKinnon and Bruns, 1992) and bringing about connections between the diverse activities of organizational members (Ahrens and Chapman, 2007). This information is edited live during ongoing exchanges (Faure et al., 2010; Faure and Rouleau, 2011) and it therefore fits interlocutors' current situation and concerns (Hall, 2010). Informal talks about accounting information make tangible the interrelationship between managers who are encouraged to take into account the constraints they create for one another at various hierarchical levels (Frow et al., 2005; Roberts, 1991). Accounting helps mediate, shape and construct relations (Mouritsen and Thrane, 2006).

Extant research shows that the more interactions between management accountants and their interlocutors, the higher the use and quality of information communicated (Byrne and

[2] Despite possible nuances in the meanings of "management control systems", "management accounting systems" and "performance management systems", all are used as synonyms in this study.

Pierce, 2007). Exchange of accounting information, especially through talking, increases information fluidity (Burns and Scapens, 2000; McKinnon and Bruns, 1992), fosters cooperation and also increases trust (Evans et al., 2016; Rowe, 2004; Vosselman and van der Meer-Kooistra, 2009). Management accountants play an important role in this process given that trust in accounting figures is inseparable from the trust that the accountants have succeeded in winning from their interlocutors (Johansson and Baldvinsdottir, 2003). Trust therefore emerges through familiarity and closeness established during repeated and direct interaction (Adler, 2001). It is inextricably linked to the confidence people have in their interlocutors' use of shared information, as shown in Tomkins' definition of trust as "the adoption of a belief by one party in a relationship that the other party will not act against his or her interests […] in the absence of detailed information about the actions of that other party" (2001, p.165). Trust building is therefore a dynamic process in which trustworthiness is continuously reassessed in light of observable behavior (Langfield-Smith and Smith, 2003) but in absence of complete communication transparency. This article studies purposeful secrecy as essential to the way management accountants handle accounting information to build trustful social relationships.

2.3. Exploring the virtues of secrecy for management control systems

In organizational settings, secrecy is generally assumed to be dysfunctional and unethical (Bok, 1982). In this context, management accounting tools are commonly introduced with the explicit intention of increasing visibility (Townley, 1996). In the management accounting literature, transparency is deemed necessary because it is an important check on local collusion (Roberts, 2009). However, more transparency is not always beneficial (Hood and Heald, 2006) because it may damage control (Von Furstenberg, 2001) and provide strong incentives for manipulating reporting information (Free, 2008).

Recently, a renewed interest in the concept of secrecy in the field of organization studies has brought to the fore the neglected virtues and benefits of a measure of opacity in social relations (e.g. Birchall, 2016; Costas and Grey, 2014, 2016; Nelson, 2016). This body of work builds on Simmel's seminal research (1906) to argue that secrecy is a constitutive element of all organizations. The apparent opposition between openness and secrecy is actually a tension, a spectrum of more or less shared information, that can be used strategically (Birchall, 2011). This is consistent with other streams of research that have shown that screening and selecting information is an integral part of human communication (Feldman, 1988). Information gate-keeping and filtering are common in all modern bureaucracies (Drucker and Gumpert, 2007) and people make choices as they consider potential consequences of diffusing information to recipients (Noon and Delbridge, 1993).

In practice, the coexistence of secrecy and openness challenges the relevance of the panoptical metaphor to qualify MCS (Brivot and Gendron, 2011). Corporate finance departments, personnel and tools are commonly associated with the production of secret information (Parker, 2000) but also with its selective diffusion. Indeed, management accountants make choices as they collect, process and disseminate information to managers (McKinnon and Bruns, 1992). Yet, the virtues associated with secrecy, i.e. the deliberate concealment of information from some and not others, have attracted very limited attention in the management accounting literature. Following Simmel (1906), who sees in secrecy a universal technique for pursuing social ends, this article explores secrecy as a tool in the hands of management accountants involved in MCS. It documents how management accountants at Elevator use secrecy as a social technique to balance between different interests without relying on extensive power asymmetry or complete communication transparency. This latter point is particularly important considering the contemporary dominant discourse promoting always more transparency regardless of the associated risks.

3. Theoretical framework: confidences and gossip in systems of secrecy

This article's theoretical framework is inspired by Simmel's (1906) work on secrecy and secret societies. Of particular importance is Simmel's conception of revelations as being integral to secrecy. The following section argues that the disclosure of secret information through confidences is a sociological tool to bind people 'in the know' together (section 3.1.). Simmel's perspective is then enriched by introducing workplace gossip as a kind of revelation whose articulation with confidences constitutes systems of secrecy (section 3.2.).

3.1. Secrecy implies confidences

Whatever amount of information people disclose, there is always a part which is left unmentioned (Gumb, 2007). Every relationship is thus characterized by the ratio of secrecy involved in it (Simmel, 1906). Secrecy becomes a particularly interesting social concept when the respective proportion of concealment and disclosure is the result of deliberate choices.

Commenting on Simmel's concept of secrecy, Feldman defines its purpose as "to manipulate the behavior of others in order to accomplish one's goals that would be difficult or impossible to accomplish otherwise" (1988, p.87). For example, discussions behind closed doors involving a limited number of participants prevent conflict from emerging and facilitate decision-making (Simmel, 1906). In addition, the apartness that is characteristic of secret discussions provides "the tone of a freedom" (*ibid.*, p.482) and offers a space exempt from the rule of law, encouraging speakers to discuss their values and preferences (Horn, 2011). Secrecy is therefore a way to foster open communication within a limited circle of people freer to express their positions (McKinnon and Bruns, 1992). Sharing secret information with a handful of people becomes a source of close connections between them (Simmel, 1906). It is when secret information is revealed that the distinction between those excluded from the confidence and those in the know is most explicit (Elias and Scotson, 1994).

Secrecy therefore implies partial disclosure of information. In this article confidences will refer to the deliberate restricted communication of private information about oneself. Confidences take place when individuals make their own decisions about what is to be said to whom about themselves (Bok, 1982). Having defined confidences, we now turn to gossip as a second way of disclosing secret information.

3.2. Gossip's contribution to systems of secrecy

Gossip is an "informal and evaluative talk in an organization, usually among no more than a few individuals, about another member of that organization who is not present" (Kurland and Pelled, 2000, p.429). Gossip therefore implies a triad containing a gossiper, a listener and a target (Michelson et al., 2010). In Figure 1, the role of gossiper is held by a management accountant, whereas the target can be an operational manager and the listener a general manager or the other way round. Secret information originally shared as a confidence and later further disclosed as gossip allows for secrets to circulate while keeping targets and listeners apart[3].

[INSERT FIGURE 1 ABOUT HERE]

[3] A characteristic feature of systems of secrecy is for gossip to follow earlier confidences but it is not the only possible form of gossiping. Management accountants may hear for the first time about pieces of information related to a particular manager's activities from third parties. In that case, the management accountant will question the manager's willingness to readily share his business information with potential damaging consequences on their relationships. I am grateful to one anonymous reviewer for bringing this to my attention.

$$\text{Target} \xrightarrow{\text{Confidence}} \text{Gossiper (Management Accountant)} \xrightarrow{\text{Gossip}} \text{Listener}$$

Figure 1. Secret cycle from confidence to gossip

Gossip is about revealing information in ways that preserve its 'secret' nature, given that it deliberately discloses data to some while keeping it hidden from others, including the initial originators of confidences. Gossip should therefore be analyzed using a 'life cycle' model (Michelson and Mouly, 2002) in which the information confided by the target is not returned to him or her[4]. When gossip consists in repeating information collected through earlier confidences, it constitutes a second step in a process characterized by the gradual diffusion of secret information. Numerous secret cycles can run in parallel within organizations and work together as parts of an interconnecting communication network to constitute a *system of secrecy*.

Although a pejorative term, gossip is a valued informal process of informing (Preston, 1986). Gossip usually benefits gossipers who, by communicating information about others, reveal that they are inside certain social networks (Kurland and Pelled, 2000). In addition, communications made by gossipers to third parties are not always against the will of the target:

> "when gossip is passed on in confidence, the expectation is not necessarily that it will not be passed at all, but that it will not be passed to 'inappropriate' people" (Costas and Grey, 2014, p.1434).

Often gossip reinforces social bonds between participants and supports the creation of a strong sense of interdependence and cooperation. This article explores how management accountants use systems of secrecy to manage the tensions between their roles as watchdogs and business partners and to control informal information flows running in parallel to MCS.

4. Case and method

Data collection was designed to access detailed information about the role played by management accountants in the informal reporting processes within a subset of the Elevator group. Elevator is among the world's leading companies in the lift sector, with billions of

[4] The notion of cycle refers to "a series of events that are regularly repeated in the same order" (OED). A *cycle* differs from a *circuit* to the extent that the information exchanged does not necessarily follow a circular path.

dollars in yearly sales and tens of thousands of employees. France is one of the company's largest markets, and Elevator offices in Paris host the group's European headquarters. The French market is divided into five regional business units placed under the supervision of regional directors. Each region is further segmented into local offices run by operational managers (also called foremen). A team of management accountants closely monitors regional performance indicators in relation to costs, revenues and capital expenditures. Each region has a dedicated management accountant based in Paris who visits regional offices four times a year. Management accountants are under the authority of a CFO (Patrick) who reports to the finance director for Europe (Eric). Following a series of acquisitions of small competitors, Elevator France also owns a few subsidiaries which are placed under the supervision of a dedicated management accountant (Renaud). Figure 2 depicts the organizational network under study.

[INSERT FIGURE 2 ABOUT HERE]

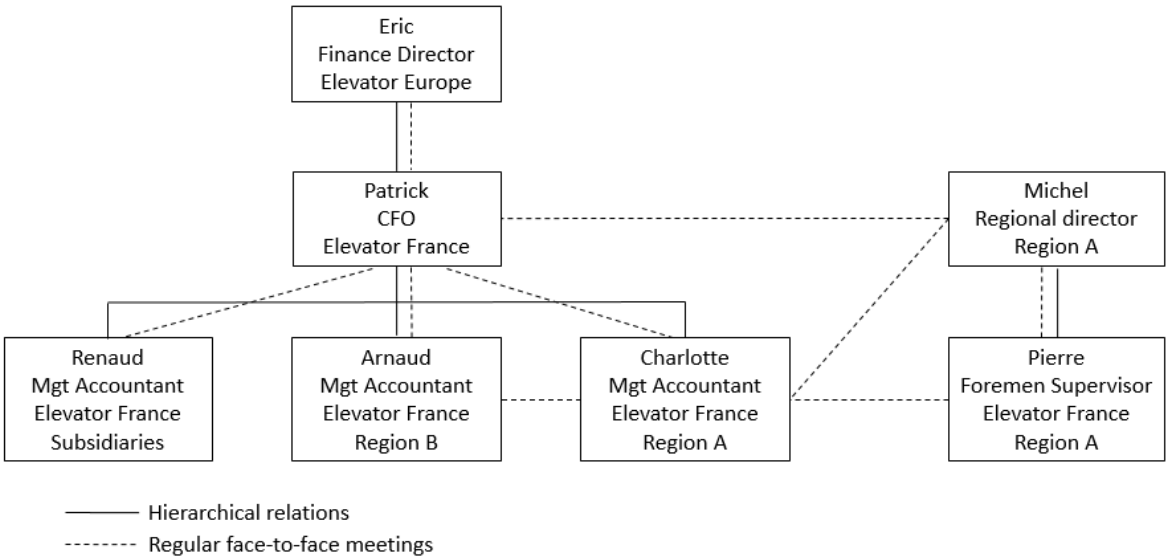

Figure 2. Simplified organizational chart of people interviewed at Elevator

The author spent five non-consecutive days with Elevator management accountants in Paris and also accompanied one of them (Charlotte) on a two-day site visit to a regional head office. Informal interactions, including three lunches shared with the entire management accounting team, contributed to building confidence while preserving the image of the researcher as being a temporary and harmless companion.

The list of people interviewed resulted from the application of a ''snowball'' strategy using contact details collected during previous interviews. The objective was to document reporting practices and the nature of communication between at least one of the management accountants based in Paris and their interlocutors from a regional office. Specific attention was thus given to the relationships between the management accountant for region A (Charlotte), her superior (Patrick) and the operational managers (Michel and Pierre) working closest with her (see Figure 2). Additional insights about the relationships between the Elevator France CFO and his interlocutor at Elevator's European headquarters were also gathered. Some further information was acquired interviewing the management accountant in charge of Elevator subsidiaries about his communication with the CFO. A total of ten interviews with seven informants proved sufficient to cover all major actors actively involved in informal reporting practices at the interface between Elevator France headquarters and region A, the subsidiaries and the European offices (see Appendix 1 for the list of interviews). Respondents were asked to explain their use of management accounting documents and to describe their recent exchanges in the context of management accounting reporting practices (cf. Appendix 2). Interviews were transcribed immediately afterwards on the basis of extensive field notes.

The Elevator case is particularly relevant to this study because it illustrates the management accountants' informal interactions with operational and general managers and documents the roles they play at the interface between different managerial levels (regional; national; continental). The successive readings of interview transcripts revealed that interviewees referred on several occasions to situations implying different forms of revelations. All interview passages referring to exchanges of information were therefore subsequently identified and listed according to the originator and the recipient of the information as well as to the communication channel involved (email; telephone; face-to-face meeting; meetings with several participants). This process of classification confirmed the important role played by one-on-one informal exchanges of information. In a second step, these extracts were coded either as "confidences" or as "gossip" and conceptualized as being parts of a system of secrecy.

5. Secrecy and the management accountants' handling of social relationships

The circulation of accounting information within Elevator is supported by state of the art management control tools and practices (section 5.1.). In addition to formal reporting interactions, face-to-face cooperation between management accountants and operational managers favors the exchange of private information in the form of shared confidences (section 5.2.). Revelations confided by operational managers to management accountants are partially disclosed to regional directors who rely on this form of gossiping to manage their operations (section 5.3.). The cooperation between management accountants and regional directors echoes practices in place at various other managerial levels ranging from European headquarters down to Elevator France subsidiaries (section 5.4.).

5.1. Context of the circulation of reporting information at Elevator France

Elevator France operates in a very competitive market and uses stringent reporting practices to draw managers' attention to objectives of sustained growth and profitability. Elevator France is indeed a branch of a listed multinational company attentive to providing reliable financial performance forecasts to external parties as mentioned by its CFO:

> "[Elevator] is a hyper capitalist company with a strong focus on profitability and growth. (...) The group is quoted on the [stock exchange]. It provides financial information to investors on a quarterly basis. These communications are extremely important and guide our work routines. From the CEO to the most remote cost center manager, everyone must endorse their targets and stick to it. (…) It is like a poker game you see: you need to lie less than the competitors in order to see the company's value going up. The entire organization is geared towards this objective." (Patrick, CFO France)

Strong pressure on financial performance and forecast reliability pervades all managerial levels. Eric, the finance director for Europe, contributes to the allocation of performance objectives between European countries. Each country then decides how to pass these on to their regional units. Patrick, the CFO of Elevator France, explains how performance targets cascade down from top to bottom:

> "The person in charge of reporting for Europe tells me 'Patrick, you must deliver that much'. Then I allocate the load between the management accountants who then spread it within their regions. The same process is done throughout Elevator down to local offices." (Patrick, CFO Elevator France)

A widely shared view among Elevator France managers is that the company is "at the top in terms of management accounting systems" (Patrick, CFO). Operational managers' ongoing performance is measured against targets by the management accounting function. For example, all thirty local agencies in regions receive a monthly income statement comparing actual and budgeted figures. The communication of financial statements accompanies generous incentive policies at all company levels. Yearly variable bonuses typically account for up to three months of remuneration when objectives are met or exceeded.

Elevator also has internal policies to register profits into the company's financial statements as soon as possible. Margins are partially accounted for immediately after the signature of a deal. Further additional portions of costs and revenues are then gradually registered into the accounts as worksites progress over time. Market uncertainties are rather low because in the lift construction business contracts are signed well before the actual construction starts. Backlog visibility is therefore close to six months. However, delays at construction sites are a major source of uncertainty because they postpone the installation of lifts until structural work has been completed. Such delays are not uncommon and a major concern for Elevator's management is to anticipate their impact on the distribution of profits over time.

Formal meetings dealing mostly with the analysis of financial performance indicators are held on a quarterly basis between representatives of the worldwide headquarters and their European counterparts in Paris. These meetings are the defining moment of a series of formal encounters including some between regional directors and national executives. In preparation for these meetings, it is company policy to send management accountants to meet informally with the operational people they supervise four times a year to discuss future prospects and current progress. On such occasions, management accountants from Elevator France have face-to-face discussions successively with foremen supervisors and regional directors. No formal documents (e.g. minutes or reports) are produced following these visits, but accounts of the discussions are communicated orally to the Elevator France CFO. Meetings with foremen supervisors are particularly instructive for the management accountants because they offer opportunities to review all current contracts and to update forecasts. The operational information collected leads to modifications to the objectives assigned to business units and to individual employees. In practice, performance targets are never revised downward but may be increased to reflect better anticipated results than expected. The management accountants' responsibility is thus to obtain reliable feedback about regional business operations from operating managers who know that collected information will eventually be used to make their objectives tougher to achieve.

5.2. Initiating systems of secrecy through confidences

Up-to-date insiders' knowledge about regional business activities is required to appreciate the future evolution of Elevator France's financial performance as early as possible. Regular private interactions between regional managers and their management accountants allow for this knowledge to be shared in confidence (section 5.2.1.). Management accountants' involvement in operational issues also encourages the systematic sharing of business information (section 5.2.2.).

5.2.1. Confidences and the fabric of secrets

In this section it is argued that Charlotte, the management accountant for region A, positions herself explicitly outside formal hierarchical relations. The compartmentalization of communication in one-on-one discussions also gives her the possibility to choose not to disclose some of the collected news. This latitude increases her interlocutors' propensity to talk to her openly.

All operational managers at Elevator collaborate on a regular basis with management accountants to make sense of the financial statements received from headquarters. For example, Pierre relies on Charlotte to interpret monthly financial reporting documents:

> "I contact her when I try to understand information that seems to me to be inconsistent. [She helps me] not to spend too much time on IT and financial data." (Pierre, foremen supervisor for region A)

Operational managers are evaluated on the basis of meeting financial objectives. They are therefore very interested in accounting figures reflecting the performance of their operations. Management accountants help them to understand the impact of their decisions on financial indicators. For instance, Charlotte provides assistance to assess how current orientations endorsed by Pierre are likely to suit the regional director's expectations. She provides immediate feedback on Pierre's action plans in relation to his targets.

> "Site managers appreciate the fact that I know perfectly well all the indicators of interest to their regional director. They will tell me how they want to organize their business and meet their performance targets. It is a win-win relation as I can provide relevant answers to their questions." (Charlotte, MA for region A)

These "win-win" discussions are indeed also beneficial to Charlotte, who gets early access to the local up-to-date information she needs to better appreciate the regional business situation. By bringing in valuable financial expertise to foremen who are concerned about the reaction of their regional director, Charlotte gets first-hand knowledge about construction contracts that are under way, in the backlog or about to be signed. Access to data which is not yet reflected in reporting documents has great relevance to Charlotte because it gives her insights into future developments with potential impact on costs and revenues.

> "We tell the foremen supervisors to keep us updated as soon as there might be a problem [or an opportunity]. (…) They have to let us know or else we lose credibility. We go and see them to get the information because we are co-responsible for the whole [forecast] process." (Charlotte, MA for region A)

Charlotte knows that foremen are keen to keep some information for themselves, especially good news, because they do not want to raise expectations, see their performance targets increased and then fail to deliver. In this context, her concern is that foremen keep her informed without delay about all operational events impacting financial performance. She encourages foremen's collaboration by emphasizing the fact that confided information may not be passed on to other external parties:

> "A foreman has no good reason to try and hide things from me. I have no hierarchical power over him and the information he gives me won't necessarily be disclosed." (Charlotte, MA for region A)

Charlotte finds herself in a position to decide whether or not to disclose part of the information collected, to whom and when. Such control over the diffusion of information is an important source of "unobtrusive" power[5] (Hardy 1985) as the careful handling of confided information by Charlotte makes her requests for up-to-date business information acceptable by the foremen.

5.2.2. Being a partner: management accountants' involvement in operations

Disclosure and non-disclosure of confidences made by local foremen is based on the management accountants' appreciation of the operational situation in terms of risks and opportunities. For example, Charlotte evokes the importance of considering reported events not in isolation but as elements contributing to the overall performance of foremen's portfolio:

> "Foremen are more intimate with me than with [their regional director]. (…) They trust me with information they would not mention when their colleagues are around. One of them will for example tell me, and not his team mates or his boss, that he expects a better margin [than budgeted] on a particular construction site because he knows that I have a global vision of all his contracts." (Charlotte, MA for region A)

[5] Hardy's "unobtrusive power" (1985) "refers to the ability to secure preferred outcomes by preventing conflict from arising" (p.389).

It is common among management accountants to withhold good news when it is considered that future events may offset foremen's current performance. Foremen's interest in securing a good overall performance is thus safeguarded when confidences that may lead to increases to their targets are kept undisclosed. Charlotte's decision whether to communicate a piece of information is nonetheless also dependent on her assessment of the situation at Elevator France in relation to nationwide performance targets. This leads to compromises reached at an interpersonal level about whether or not to disclose operational information and when:

> "There are some minor negotiations [with foremen]. I sometimes say things like 'I will not report this [good] news, but if they are short [of profits] at company level [Elevator France], I know that you can do better [than initially announced].'" (Charlotte, MA for region A)

Charlotte keeps some information to herself as long as it serves the operational managers' interests without leading to damaging consequences for Elevator France. Confiding information in the form of a shared confidence allows operational managers to share important news early while offering management accountants the possibility of adapting their behavior to the wider context.

The assistance provided by management accountants to business operations may also take a more active form. For example, the following quote depicts how Renaud, the management accountant in charge of subsidiaries, sometimes takes actions that directly impact the subsidiaries' reported performance.

> "If I know that two construction sites are going to finish badly and that the other two are well on track, I move them over a month and that makes a decent average result. That's it! I can postpone events from one month to the other and I end up having four normal contracts during the same quarter." (Renaud, MA subsidiaries)

Renaud provides another illustration of how private discussions can elaborate on practices justified by the pursuit of the managers' personal interests and tolerated by management accountants primarily concerned with forecast accuracy. The following quote shows how, provided they are not blatantly illegal, performance manipulation techniques are deliberately overlooked by management accountants so long as they are kept informed early.

> "I am mostly interested in figuring out the future performance of the firm. For example, I want the sales people to tell me their eventual 'dead-ends'[6]. I get on well with them

[6] Different types of "dead-ends" exist. An extreme, but not uncommon example of a dead-end is to forget a floor when making a bid. By "forgetting" to include all of a building's floors in a bid (a crucial element for calculating the selling price), regional staff can occasionally win a much needed contract to meet their sales targets.

> and it is absolutely crucial for me to hear about the ‘dead-ends' pretty early. A ‘dead-end' consists [for example] in selling elevators while ‘forgetting’ something in the quote. (…) It is a trick to sell at a discount but then of course the costs are higher than expected and the margin is [for example] 2% instead of 5%.” (Renaud, MA subsidiaries)

By not condemning some deceptive practices, Renaud encourages foremen’s confidences about them. His tolerance has a detrimental impact on margins but dead-ends would otherwise go unnoticed for months and it is a management accountant’s worst experience not to be kept informed early. One illustration of this was when Michel, the regional director of region A, was informed by Charlotte of contracts with unexpected losses seriously damaging the performance of the region. These figures came as a surprise in the reporting system. Michel and Charlotte urgently conducted an informal inquiry leading them to the conclusion that a foreman had produced undervalued quotes to sign deals and get bonuses prior to leaving Elevator for a job with a competitor. His successor did not see it coming and had to build the lifts, albeit at a loss. Michel and Charlotte then decided together to commission the internal audit team to document the case formally.

It is only when situations illustrate a breach in communication between foremen and management accountants that inquiries are conducted by internal auditors. Most of the time, management accountants emphasize their role as business partners and stay away from the image of denunciatory informer. This policy is part of a general practice among management accountants. Patrick, the Elevator France CFO, qualifies the role of his team as being “support” for operational managers, leaving the role of the “cops” to internal audit. Unlike auditors, management accountants’ behavior is not dictated by the firm’s procedures but by the managers’ interest within acceptable limits.

> “It is possible to influence performance to some extent but one pays attention not to cross a red line.” (Charlotte, MA for region A)

Foremen’s confidences turn management accountants into insiders committed to safeguarding local practices from a strict application of company guidelines. Management accountants are partners willing to judge the appropriateness of foremen’s actions on grounds that may differ from formal rules. They are nonetheless only happy to do so when informed early of potentially reprehensible practices.

5.3. To disclose information while encouraging confidences: the rules of gossip

This section will show that part of the information collected while engaging with operational managers is passed on to regional directors via gossip. In doing so, management accountants assist regional directors in exerting control over local operations (section 5.3.1.). Management accountants nonetheless maintain their status as foremen's key partners by disclosing information about their activities with tact and restraint (section 5.3.2.).

5.3.1. Helping regional directors by gossiping about foremen

Management accountants' visits to regional offices systematically end with a meeting with the regional director. Just like other managers, regional directors are incentivized by the performance of their business unit (BU), and management accountants help them to meet their targets. For instance, Charlotte reports how she keeps Michel (regional director) informed about the financial impacts of operational events in his region before their consequences can actually be seen in the reporting.

> "The regional director has targets assigned to him by [the CFO] and he expects me to help him meet his objectives. (…) [He] has strong pay incentives based on the financial performance over his perimeter. He wants me to keep him informed of future performances." (Charlotte, MA for region A)

This is confirmed by the regional director, who mentions Charlotte's contribution to the formulation of his plans to meet headquarters' profit expectations.

> "During our meetings, I learn more about where to take action: either on the margin side [cost and price] or rather on the sales volumes. Together with the management accountant we make some arbitrage between activities in order to optimize the bottom line. The bottom line is the only thing that matters." (Michel, regional director Region A)

When meeting with regional directors, management accountants provide an insider's view of the reporting documents in circulation. For example, Charlotte comments on reporting figures communicated by foremen during forecasts as she indicates which ones are conservative and which ones are already quite challenging. By doing so, Charlotte points to Michel, the foremen in region A, who could reasonably deliver higher performances:

> "Foremen tend to minimize their forecast. I report their budgeted figures unchanged but once the regional perimeter is consolidated, one has a debrief meeting [with the regional director] and I say that [foreman X or foreman Y] can be challenged." (Charlotte, MA for region A)

When gossiping about the confidences received from foremen, Charlotte gives indications about the creditworthiness of local reports and their conservative or optimistic nature. She exerts control over foremen by signaling to Michel those who can further contribute to the region's performance. She is instrumental in the distribution of additional objectives. However, she lets Michel communicate the adjustments to operational teams.

> "I work hand in hand with the [regional] director to challenge [foremen] without degrading their motivation. The targets are determined together but the regional director is the one communicating them." (Charlotte, MA for region A)

Conflict with foremen is usually avoided because Charlotte guides adjustments towards those that she knows can cope with more demanding expectations. Indeed, an objective for her is to dissuade regional directors to revise the objectives of foremen who cannot reasonably deliver better results.

> "I need to advise the regional director making sure that the targets [assigned to foremen] are achievable." (Charlotte, MA for region A)

Management accountants' assistance is therefore required for regional directors to appreciate whether foremen will collectively succeed in reaching the targets or not. Management accountants interfere in top management's decisions regarding arbitrages by signaling foremen who could do more. Importantly, incriminated foremen are not present at these discussions.

5.3.2. How to gossip about foremen without be seen as a controller

Some of the confidences collected by management accountants during their discussions with foremen are disclosed to regional directors. Indications conveyed are informative enough to alert regional directors to whether performance will be in line, below or above expectations, but they are usually deprived of further precision regarding the exact content of earlier talks with the foremen. Information circulates but the secret nature of the initial confidence is not breached.

> "When I report news [to the summit], I never unpack them in one block, I give hints. I know more than what I say. I am very prudent, for example, when I discuss with the regional director. I tell him that I did not feel that [foreman X] was very comfortable but that this other one could be slightly more challenged. When I disclose news, unless it is very important or grave, I do not say them bluntly but I insinuate them." (Charlotte, MA for region A)

Charlotte is careful not to upset her informants (the targets) because to betray her informers' confidence by excessive communication would damage much needed trustful relations.

> "If I am not perceived as honest and sincere, it is the entire house of cards [of communication] that falls down. Everything is grounded on trustful relationships. If [X] does not have confidence in what I will say to [Y], I am useless […] if one learns that such or such information was echoed, it is over for me, no one will give me relevant information anymore." (Charlotte, MA for region A)

Informers' ongoing cooperation is carefully nurtured by management accountants. By securing the foremen willingness to share private business information with them they save time and efforts that would otherwise be spent in trying to find out relevant information with the risk of discovering too little too late. Foremen trust their interlocutors to use 'secret' information with tact. It is understood that some will be disclosed but not in an untimely manner and only for the sake of collective efforts shared between the different business units so as to not exceed their individual capacities. Reassurance about the ways in which their confidences are handled is not conveyed to foremen by granting them access to the content of discussions but by ensuring they do not experience detrimental consequences for sharing confidences.

Because the news that Charlotte gives to third parties (listeners) is restricted to limited audiences, she does not put an end to secrecy. In addition, she does not share all of what she knows, but rather drafts her own version of the information, for example by inserting subjective comments on operational managers' "emotions and feelings" along with operational data about the business situation. She notably adds contextual information to hard figures, as the following quote reveals:

> "We [management accountants] are quite close to the foremen. We are kept informed when a construction job is getting out of control for example […] On such occasions, I may report to the regional director some figures but I mostly report local people's emotions and feelings [about their situation]." (Charlotte, MA for region A)

Charlotte also stands as a buffer between the regional director and his subordinates. She plays the role of trusted mediator, preventing tensions from developing between members of the same BU.

> "We are also a means for any of our interlocutors [foremen] to let his boss know that he won't manage to reach the target. It is easier for them to communicate via finance people. We can be mobilized to start a dialogue. I can intervene face-to-face or by telephone. In doing so, things tend to be smoother and not litigious." (Charlotte, MA for region A)

As a consequence of gossiping, not only foremen but all participants in the budgetary and reporting processes anticipate the fact that informal information shared with management accountants will, to some extent, be disclosed. When discussing with management accountants, regional directors tend to convey messages to soften objectives assigned to them.

> "The regional directors know that we [management accountants] have a strong influence on the managing directors in Paris because we can tell them 'it will be tough for this one or that one to reach the targets, be kind to them.' (…) Everyone tries to get some influence over us but our objective is to remain as neutral as possible." (Charlotte, MA for region A)

In order to "remain as neutral as possible", management accountants can build on the fact that foremen and regional directors are not informed of the exact nature of gossip at headquarters level. Not knowing with precision what information is actually disclosed about their activities, operational managers have little choice but to trust management accountants to safeguard their interests.

5.4. Confidences and gossip throughout the organization

Management accountants' ability to control information disclosure helps them to endorse a supportive role with all their interlocutors (section 5.4.1.). Careful gossiping creates systems of secrecy spanning across managerial layers (section 5.4.2.).

5.4.1. Management accountants are everyone's partners

Management accountants at Elevator help regional directors to allocate performance targets (see section 5.3.2.) but they also endorse a similar role with Elevator France general managers. For example, when Patrick (Elevator France CFO) is demanding additional contributions from the regions, Charlotte and her colleagues assist him in allocating them between regional directors. When talking in private with Patrick, indications about potential sources of higher profits are disclosed based on knowledge acquired during site visits.

> "If the performance is considered too conservative at the national level, Patrick [the CFO] asks us 'we need more, where can you get some more?' Then we go through current figures and we see where a region could do better. […] There are some regional directors who do not give much [profits] and I know I can ask them for more." (Charlotte, MA for region A)

Charlotte's knowledge of the local situation allows her to target demands for additional financial performance towards region A only when it enjoys rather favorable conditions. Conversely, she will safeguard region A when it is already financially stretched. When relaying information to headquarters, Charlotte engages her credibility about what can be delivered. Once performance objectives are modified following her recommendations, she returns to the region and, together with the operational managers, considers the consequences of additional demands. Regional directors and foremen thus continue to share confidences because they expect their management accountants to side with them to achieve their revised objectives (cf. section 5.2.). The regional director is the target of Charlotte's gossiping but he never ceases to also be her partner. Management accountants are thus "partners in crime" at operational level but also at headquarters level and this explains their careful joint work with both operational people and executives. Support and control activities work hand-in-hand and rely on the tactful articulation of confidence and gossip by management accountants.

Not only the regions but also Elevator France subsidiaries are considered as possible sources of additional performance in times of need. Most people know, for example, about the existence of some financial leeway in the subsidiaries. Yet, because such reserves are not formally registered anywhere, no one mentions their existence until they are needed. This "public secret" (Costas and Grey, 2016, p.104) is used by Elevator France management without actually acknowledging its existence. For example, Renaud (management accountant for Elevator subsidiaries) engages in discussions with Patrick (Elevator France CFO) regarding when to leverage it.

> "The head of the management accounting department at Elevator France is not a dupe. […] He knows that if they [Elevator France] need it, we cannot refuse. There will be a fight, but they will win in the end. As long as everything runs smoothly, we keep 'the booty' but if the group needs it, we give it. (…) We see each other and negotiate." (Renaud, MA subsidiaries)

For the CFO, not to formally know about the existence of financial leeway is important in order to not enforce control procedures that would be detrimental to the management of the company's overall performance. However, although Patrick lets the subsidiaries put aside financial reserves increasing their chances to consistently meet their objectives, he also controls the use of such reserves with Renaud's help. Dealing with such situations is usually tense, but it is a part of the management accountants' job that is appreciated as illustrated by the following quote:

> "I [as management accountant] do have some leeway but it does not amount to millions [...] I am a buffer between the parent company and the subsidiaries. I am up-front on both sides but this is the charming side of the job." (Renaud, MA subsidiaries)

Similar negotiations take place at the European level. In particular, Eric (Finance director, Elevator Europe) may have to allocate additional demands for profits from worldwide headquarters between European countries:

> “Sometimes, [worldwide headquarters] communicate that they need an extra 50 Million [Euros] and we [Elevator Europe] need to consider which countries can have their forecasts revised.” (Eric, finance director, Elevator Europe)

Like the management accountants at Elevator France, Eric has regular contact with the different managerial levels, granting him a unique position as intermediary. His role is essential to strike a balance between European countries and worldwide headquarters. Only Eric gets to know which country can be stretched because he is involved in the management of leeway:

> “We [Elevator Europe] constitute some reserves in anticipation […] I know which countries are already at risk [not to perform] and I therefore concentrate our demands on other countries [with more latitude].” (Eric, finance director, Elevator Europe)

What takes place at the European, national and regional levels suggests that numerous cycles of secrecy run in parallel at Elevator and together constitute a widespread system of secrecy. It also shows how management accountants avoid being perceived as either partners or controllers but endorse a hybrid position with all their interlocutors.

5.4.2. Systems of secrecy in support of multiple channels of informal communication

Management accountants collect information from a variety of interlocutors situated at different managerial levels. For example, they hear about future business opportunities that regional directors may be tempted to hide in order to increase their chances of outperforming objectives from their subordinates.

> "Of course regional directors are somewhat reluctant to say that they are making more profits [than forecasted]; they think ‘they [finance people] don’t need to know that I will be equipping this new building [with a lift] and I will be a star’ but it is very complicated for them to hide such information away because a good management accountant will talk to everyone: with the assistants, with the technicians, etc. He [or she] will get the information in the end.” (Patrick, CFO Elevator France)

By regularly spending time in regional offices, management accountants build close relationships that encourage the exchange of rich information, as illustrated by Charlotte:

> “During my visits to the region, it is important to say ‘hello’ and 'how are things going?’ to everyone. At first, I used not to collect much information and I was not giving away a lot as well. Yet, provided you are attentive to the others, it gradually becomes natural [to exchange information]. If I manage to get on well with a foreman, he can go further with me than when talking in front of his boss. He will tell me, for example, that he was asked to remain discreet but that his performance should get better than expected on a given contract.” (Charlotte, MA for region A)

Management accountants are therefore not entirely dependent on one particular foreman to collect all the information they need about operational activities. Discussions with a wide range of people working on regional sites offer valuable opportunities to know more about the business. As a consequence of numerous informal information flows running in parallel, no one really knows whether they are the first to disclose a given piece of news or not. According to Charlotte, both the regional director and the CFO "probably know already part of what [she] tell[s] them about the business". Taken together, the discussions involving confidences and gossip intersect and foster the circulation of information across managerial levels. This is corroborated, for instance, by Patrick (CFO Elevator France) who listens to slightly different versions of the same regional events when discussing with management accountants and with regional directors. Variances in accounts offer a richer picture to Patrick, who has access to regional directors' confidences and management accountants' gossip. Sources of information that corroborate each other reinforce confidence in the current appreciation of future situations (McKinnon and Bruns, 1992), but receiving slightly different accounts is also useful for Patrick to make up his mind on complex issues such as the maximum financial performance each region is confident to deliver:

> "I collect the feedback from the management accountants when they return from the regions and then I talk to each regional director. They do not tell me exactly the same things and quite often the truth lies in between [the two versions]. I am in contact with all regional directors and they say things slightly different to me and to the management accountants." (Patrick, CFO Elevator France)

Patrick relies on a network of contacts to draw his conclusions. Information does not have to be comprehensive, or systematic or even unbiased to be useful. Hearing from the managers themselves (confidences) and from the management accountants (gossip) enables him to form his own informed opinion about the situation. Discrepancies between accounts of the situation, far from being considered dysfunctional, are actually highly meaningful.

6. Discussion

The Elevator case study serves as evidence of the existence of systems used by management accountants to disclose sensitive and relevant reporting information across managerial levels. The discussion will consider how management accountants use systems of secrecy to be supportive but also to exert control (section 6.1.), and how systems of secrecy contribute to their efforts to mitigate undesired harmful effects of MCS (section 6.2.).

6.1. Systems of secrecy: a tool for hybrid management accountants

The Elevator case study emphasizes systems of secrecy as a specific kind of informal business communication strategy of particular importance for management accountants. On the one hand, by helping operational managers deal with the demands from headquarters, Charlotte and other management accountants fulfill their advisory role for operations. On the other hand, by providing general managers at Elevator France with information about regional activities, they play their role of controlling activities. This dual engagement with organizational personnel with potentially partially contradictory interests relies on their ability to be perceived by all as "strategic allies" (Lambert and Sponem, 2005). Unlike in situations of examination and confession where "the unit of accountability is the individual" (Townley, 1996: p.579), management accountants at Elevator share a responsibility for achieving performance targets with most managers they interact with[7]. Although power relations are intrinsic to exchanges around accounting (Burns and Scapens, 2000; Davenport et al., 1992; Hofstede, 1968; Pettigrew, 1972) and particularly vivid in the "struggle and resistance" typical of budgetary games (Macintosh, 1995), at Elevator no actors impose their views. Even management accountants' influential position is mitigated by the fact that they are highly dependent on the goodwill of their interlocutors. They need managers' cooperation and frequent cross functional exchanges to get a good understanding of the operational events relevant to the estimations of future economic performances (Goretzki and Messner, 2016).

At Elevator, ongoing collaboration is conditioned by management accountants' attitude towards "secret" information confided to them by managers at all levels. In this context systems of secrecy allow management accountants to inform top management while not betraying the confidence of operations managers. As long as absent 'targets' experience no unacceptable detrimental consequences following their confidences, their trust in management accountants is not breached by gossiping. This implies that when management accountants assist managers in headquarters, they simultaneously defend the absent others' viewpoint by canvassing options that are acceptable to them. In systems of secrecy, compromises are not reached between two opposing camps facing each other (see Frow et al., 2005; Lambert and Sponem, 2005; Macintosh, 1995 and Preston, 1986), but by

[7] The recognition of the existence of mutual responsibilities between management accountants and their interlocutors differs from the individualization process typical of confessions (Rodin, 2016).

management accountants mediating between their partners. Rather than minimizing conflict through the emergence of common interest (Collier, 2001), management accountants at Elevator make sure that the pursuit of self-interest does not run contrary to other individuals' interests.

Remarkably, management accountants at Elevator do not alternate between being a business partner in the regional office and a controller at headquarters. Their role is best described as keeping a hybrid position consisting in hiding away relatively harmless arrangements (e.g. "dead-ends") while persuading their interlocutors to refrain from actions that could be seen as unacceptable by others (e.g. excessive expectations or manipulations). For example, Charlotte keeps information about slack undisclosed as long as it serves the operational managers' objectives without leading to damaging consequences for Elevator France. In doing so, management accountants are supportive of "a-centred" organizations (Busco et al., 2008, p.109), characterized by multiple places where decision-making is conducted. Given that such decision-making places are nonetheless often connected, it is important to look at how different levels interact in the absence of a center (Quattrone and Hopper, 2001). Systems of secrecy show that the interactions between multiple levels can be orchestrated by management accountants' mobility. The management accountants do not merely sit in one place in their role as gatekeepers "at the junction of a number of communication channels" (Pettigrew, 1972, p.190), but rather they circulate, creating multiple proximities via successive exclusive face-to-face relationships. This study complements our understanding of management accountants as 'socially active' individuals involved in multiple informal networks (Vaivio and Kokko, 2006, p.70) and endorsing hybrid roles by revealing the importance of their mobility in the collection of confidences and diffusion of gossip about information impacting financial performance.

6.2. Systems of secrecy in support of MCS

At Elevator, regular face-to-face interactions with management accountants through informal channels of social interactions generate integration (Busco et al., 2006) as well as collaboration and trust (Mouritsen and Thrane, 2006). Accounting is therefore confirmed as a technology for building trust not merely in inter-firm relationships (see Langfield-Smith and Smith, 2003; Velez et al., 2008; Vosselman and Van der Meer-Kooistra, 2009) but also between sub-units of a firm. In addition, by compartmentalizing relations, systems of secrecy open up spaces where different voices are shared without immediate sanctions. They allow management accountants and executives to be kept *unofficially* informed of manipulations, preserving their ability to decide whether to make use of the information received or not. Management accountants' behaviors at Elevator are not entirely guided by obedience to a set of formal rules, or by resistance to such rules, but by their appreciation of the various objectives pursued by interdependent actors. Far from preventing people from following their own interests, management accountants' efforts within systems of secrecy ensure that the pursuits of personal objectives at various managerial levels are compatible. In particular, this article challenges the usual assumption that slack creation benefits peripheral business units hosting it, to the detriment of the organization as a whole (Hartmann and Maas, 2010). The case also confirms that arrangements exist to collectively manage part of the financial latitude available in peripheral units (Puyou 2014). However, the Elevator case is original in this respect because it shows that this can be done through a careful filtering of information regarding managers' agendas and not necessarily through consensus or the alignment of their preferences. Management accountants give interdependent managers situated at different managerial levels the opportunity to pursue their own interests while preventing them from being harmful to other units in the company. Management accountants' skillful use of systems of secrecy thus reduces potential frictions otherwise produced by formal rules (Lukka, 2007) and invigorates a sense of interdependence and community between organizational actors despite their reasons to try to outwit each other. They get involved personally in order to secure an acceptable degree of forecast accuracy grounded in reasonable income smoothing practices able to balance some of the perverse effects of the bonus system.

The present study also adds to existing research on accounting communication by focusing on the circulation of dematerialized and unwritten information. Typical outputs of MCS are documents that are further circulated and mobilized in subsequent discussions. Their "textuality" impacts the exchanges between management accountants and managers who anticipate the reception of the figures they work on by others, especially bosses, who may not be present (Faure et al., 2010; Faure and Rouleau, 2011). At Elevator, "secret" news and figures are not inscribed anywhere but spread by management accountants in person. Unlike documents which are most often deprived of an "identifiable voice" (Townley, 1996: p.579), the information in circulation in systems of secrecy always originates from a known speaker. When management accountants disseminate accounting information they must reformulate it every time, adapting it to the context of their audiences. Different “accounting talks” (Hall, 2010) are thus addressed to different people at different levels (Jonsson and Solli, 1993). In systems of secrecy, accounting talk is not merely accompanying accounting information that would otherwise circulate on screens or on paper but it is the very condition of its diffusion while filling it up with meaning (Englund and Gerdin, 2015). Gossip and confidence nevertheless constitute a very specific format of accounting talk which facilitates compromise between interests not through the production of concurrent visibilities (Chenhal et al. 2013; Carlson-Wall et al. 2016) but by providing separate discursive spaces with restricted visibility. On such opaque spaces ‘verbal mobilisation of various ways of knowing organizations’ (Ahrens, 1997) are debated while preventing their principal proponents from facing one another. Systems of secrecy thus avoid direct contacts on ‘visible settings’ which are well-known sources of conflicts (Brunsson, 1989). Management accountants play the role of intermediaries reducing chances of declared opposition. As a result, numerous figures in circulation within Elevator are unwritten but not unvoiced. This study therefore shows how accounting communication can thrive on incomplete transparency.

7. Conclusion

This article presents empirical evidence about the existence of systems of secrecy. It refines the theorization of the closure/disclosure tension by articulating two forms of revelations (confidences and gossip) into a process that supports the transfer of information about sensitive issues (events impacting future performances) when it is much needed (before their consequences are officially recorded). This study contributes to the management control literature by disclosing how management accountants can play both the role of watchdog and of business partner. It also shows how the articulation of confidence and gossip allows management accountants to mitigate some of the limitations associated with the use of MCS by diffusing non-written information required for coordination while preserving its ‘secret’ quality so important for encouraging open communication. Lastly, this article builds on existing research on the virtues of secrecy (e.g. Dufresne and Offstein, 2008) and complements it by observing the effect of secrecy beyond a single professional community. Secrecy has been shown to structure cohesiveness between scientific colleagues (Nelson, 2016), consultants (Costas and Grey, 2016) or lawyers (Brivot and Gendron, 2011), but the present article shows that it can also mediate communication across occupations such as between management accountants, operational workers and executive managers. It thus confirms the importance of pursuing current research efforts into “invisible” managerial systems (Parker, 2016) which hardly leave any material traces of their activities while being central to the work of organizing large corporations.

How widespread systems of secrecy are is a question beyond the scope of this paper. There are nonetheless reasons to believe that what has been observed at Elevator is not an isolated phenomenon. Accounting practices are woven into the cultural fabric of an organization (Chiang and Birtch, 2010; Jarvenpaa, 2007) and the way in which management accountants communicate is tied to the surrounding national culture (Easterby-Smith et al., 1995; Granlund and Lukka, 1998). However, discussions "behind closed doors" (Simmel, 1906), although insufficient in themselves, are the only necessary requirements for systems of secrecy to emerge and they are very common in many different cultural contexts. For example, Ahrens (1997) shows how management accountants in a UK-based company get involved in private discussions successively alongside operating managers and company headquarters. Similarly, management accountants in a German context unofficially criticize accounting numbers in “private circles” where “off the record remarks” can be voiced (*ibid.*, p.636). Management accountants' nationality or character may well therefore be less important to the development of systems of secrecy than the orchestration of their circulation between company sites. It is when management accountants are requested to visit their interlocutors personally that they start building the close direct relationships typical of systems of secrecy. Secrecy emerges from numerous one-on-one interactions, corporate complexities (Costas and Grey, 2014) and routines, like going in person to see all people present onsite during visits to regional offices. Therefore, notwithstanding the importance of cultural factors, systems of secrecy are unlikely to be confined to any particular country. Their development results from a combination of designed mobility and “intuitive behavior” (Johansson and Baldvinsdottir, 2003) such as understanding the importance of winning other people’s trust.

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Appendixes

Appendix 1.

List of the 7 interviewees for a total of 10 interviews conducted between 13 May 2005 and 16 January 2006.

1	Patrick, CFO	1 interview (13/05)	Elevator France

2	Arnaud, management accountant	2 interviews (30/05 & 18/11)	Region B
3	Eric, finance director	1 interview (30/05)	Elevator Europe
4	Renaud, management accountant	2 interviews (03/06 & 18/11)	Elevator subsidiaries
5	Charlotte, management accountant	2 interviews (09/01 & 16/01)	Region A
6	Pierre, foremen supervisor	1 interview (09/01)	Region A
7	Michel, regional director	1 interview (10/01)	Region A

All interviews took place face-to-face in the interviewee's office. A site visit to region A was organized on 9-10 January 2006 to accompany Charlotte and interview Michel (regional director) and Pierre (foremen supervisor).

Appendix 2

Interview guidelines

- What does your job entail? What are you responsible for?
- What is your educational background? Please describe your career path.
- What kind of contacts do you have with management accountants? Can you illustrate your answer with examples from the last budget/reporting? [for non-financial people]
- What do you pay attention to as a management accountant? Can you illustrate your answer with examples from the last budget/reporting? [for management accountants]
- What are the documents used for reporting and control? How often? Who is the audience? What purpose do they serve?
- How is the budgetary process organized? Who decides on financial arbitrations? What are the most problematic aspects of reporting?
- Are there any incentive policies based on performance indicators?
- Are you in contact with external and internal auditors? How often and when?
- Are there any mechanisms to offset major market variations or unexpected events impacting your performance?