



A case study of the performance management system in a Malaysian government linked company

Performance management system

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Abstract

Purpose – The purpose of this paper is to explain the institutionalization process of the performance management system (PMS) in a Malaysian government-linked company (GLC). The study specifically looks at the changes brought by the GLC transformation programme introduced by the government.

Design/methodology/approach – An explanatory case study method is used whereby data are collected through semi structured interviews, document reviews, informal conversations and observations.

Findings – Despite attempts to link the organisational activities to the system through the business operating plan, the data reveal that the PMS-related activities have somehow been viewed as a routine mechanism for appraising the employees' performances and become decoupled from the organisational activities. Thus, the new PMS did not really change the way organisational members view and do things in the organisation.

Research limitations/implications – This study shows that the intention to institutionalise a new practice may not be materialised if there are not enough forces to support the change. The adoption of the new PMS practices may be due to isomorphic pressures to mimic other organisations in the same environmental field leading to ceremonial adoption of the practice.

Originality/value – This research provides evidence to the government that the process involved in transforming the organisational culture of a government-linked organisation by using accounting tools might be time consuming, costly and subject to resistance. Hence, any change management programme introduced in a government-linked organisation should have strong top management support, good financial standing as well as a reliable technical backup to the programme.

Keywords Performance management systems, Organizational change, Government policy, Public sector organizations, Malaysia

Paper type Case study



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1. Introduction

In Malaysia, state-owned organisations, commonly known as government-linked companies (GLCs), are the main providers of utilities, postal services, airlines, airports, public transport, water and sewerage, and banking and financial services. Some GLCs also participate in the automotive, plantation, and construction industries. The group employs an estimated 5 per cent (about 400,000 employees) of the national workforce, and accounts for approximately 36 per cent of the Malaysian Stock Exchange market capitalization and 54 per cent of the Kuala Lumpur Composite Index (Abdullah, 2005). Considering the significance of GLCs to the economy, an understanding of the changes that this type of organisation is going through is undeniably important and, therefore, warrants intensive research.

Malaysian GLCs are hybrid organizations as they have to achieve financial returns while fulfilling their social responsibilities. GLCs were previously government agencies or public enterprises established to provide services for social purposes. Malaysia's privatization policy, introduced in the early 1980s, resulted from the objectives of the New Development Policy (Alhabshi, 1996), the rising national debt (Alhabshi, 1996; Syn, 2002) as well as from the belief that the policy would drive the government agencies to become more efficient and cost effective.

Despite privatization, the government still holds a significant controlling stake in the GLCs. Being the dominant stakeholder, the government exercises its power to appoint the board of directors, senior management, and make major decisions (e.g. awarding contracts, formulating strategy, restructuring and financing, acquisitions and divestments, etc.) for the privatised entities, either directly or through government-linked investment companies (GLICs) (*GLC Transformation Manual*, 2006). Entities such as Khazanah Nasional Berhad, Pension Trust Funds, Employees Provident Fund, and Permodalan Nasional Berhad are among the GLICs that hold shares in the GLCs.

Financial performance of the GLCs is always a major concern to the government. Many argued that GLCs are large in size but suffer from the problem of internal control and are lacking in strategic direction, resulting in a poorer return on capital and shareholders value, higher gearing ratio, lower productivity, inefficient procurement handling, and ineffective performance management systems (PMS) (Azman, 2004). It has been argued that GLCs have dual objectives to maximise shareholders' return while meeting their social obligations. This duality may result in ineffective decision making. Some GLCs still suffer from the setbacks of the economic downturn of the 1990s. Accordingly, some GLCs were even renationalised to ensure their survival.

Concerns have also been raised regarding the way GLCs evaluate and reward employees (Abdullah, 2004; Nor Mohamed, 2004). There is a weak linkage between employees' performance and the reward scheme in GLCs. For example, bonuses are paid regardless of individual performance because performance is not tied to the compensation system. Furthermore, career promotion depends on the number of years in service. Therefore, seniors are in a better position to climb up the corporate ladder compared to the juniors. Qualifications are of secondary importance when deciding upon promotion to a higher position. The GLCs employees are also prone to inflate their performance. Some key government officers found evidence that in some GLCs more than 90 per cent of their employees had been rated as excellent

performers due to the practice of inflated performance (Abdullah, 2004; Nor Mohamed, 2004).

Hence, in 2004, the government initiated a programme focusing on bringing the GLCs to be at par with their regional competitors. The programme was named the GLC transformation programme, specifically written up to intensify the commercial orientation culture among the GLCs. A committee, which is known as the Putrajaya Committee for GLC High Performance (PCG), was formed in January 2005. The committee consists of GLCs heads, representatives from the Ministry of Finance and the Prime Minister's Office. Whilst the PCG is to follow through and catalyze the GLC transformation programme, the senior management of the GLCs are expected to spearhead the effort to instil a high performance culture in their respective companies. Under Khazanah, a Transformation Management Office, a secretariat to the PCG was set up to report quarterly to the PCG on the progress of the transformation programme. Consultants were also hired to assist the government in implementing the transformation programme.

As a starting point, the GLCs management and their holding company, Khazanah Nasional Bhd, went through several restructuring processes. Key performance indicators (KPIs) and board composition initiatives were introduced – Khazanah Nasional Bhd was revamped and a new line of top management of GLCs was elected. The appointment was made because the government believed that a new breed of chief executive officer (CEOs) was needed to successfully manage the transformation programme. In fact, most of the newly appointed CEOs of the GLCs are accountants. The CEOs are required to make public announcements on the headline KPIs on a quarterly basis. Some GLCs are also moving towards divisional accounting to enhance their accountability structure through the use of accounting. In some ways the government is using accounting as a tool for transformation and expecting the accountants to become the agents of change.

Thus, the focus of this study is to understand how accounting is used as a tool for transforming organizational culture and how accountants perform as change agents. The understanding of how accounting can transform an organisation, as well as being transformed by an organisation, is important to both academics and policy makers. The study should first reveal the extent to which the organisation has changed and, second, to find answers to the process of institutionalisation of the new rules and regulations, i.e. whether the new PMS has been institutionalised ceremonially or instrumentally.

The motivation of the study is driven by the fact that a study on the process of organisational change and accounting change in an organisation during the process of transformation may offer an opportunity to unravel the complexity and the dynamic process of change. Specifically, by being able to understand the type of change that has occurred within a certain period of time, a much fuller account of the process of accounting change can be accounted for. This study, which sees accounting practices, such as PMS, as an integrated control system, may provide insights into how PMS practices become accepted or resisted, or even modified by an organisation such as a GLC.

The paper is subdivided into several sections. The first section provides insights into various researches on accounting change. The second deals with the theoretical framework. It is then followed by an explanation of the research design, the case findings and the theoretical discussion, and, lastly, the conclusions.

2. Research on accounting change

Prior literature on accounting changes show that the implementation of new accounting practices might not be materialised as was intended. In some cases, the accounting practices have been rejected (Vamosi, 2000; Hassan, 2005; Othman *et al.*, 2006; Andon *et al.*, 2007; Nor-Aziah and Scapens, 2007) while in some others the practices have been accepted but subject to some modifications (Collier, 2001; Soin *et al.*, 2002; Granlund and Malmi, 2002; Siti Nabiha and Scapens, 2005; Busco *et al.*, 2006). For example, in Nor-Aziah and Scapens (2007), a study on a government agency, which later was incorporated and privatised, showed that the resistance of the new budgeting system was due to the lack of interpersonal trust between the operation managers and the accountants. These two important organisational actors played an important role in shaping the management accounting change within the organisation. The appointment of accountants and the introduction of a new management accounting system to emphasise the financial orientation failed to challenge the existing institution (i.e. the public sector orientation) due to the lack of trust.

The issue of trust, which became an important factor in Nor-Aziah and Scapens (2007) study, was previously discussed by Busco *et al.* (2006). Busco *et al.* (2006) studied the change of culture in an organisation, namely, Nuovo Pignone, which went through two stages of acquisitions. The study highlighted three factors, as suggested by Schein (1999), which need to be in balance to materialise the change. First, there should be some mechanism of disconfirmation of the existing institution to suggest that the organisational members need to change. It means that there are issues to challenge the status quo. Second, the need for the creation of survival anxiety (or guilt) among the organisational members if they failed to follow the new rules and routines. Lastly, is the need for subsequent creation of psychological safety to overcome learning anxiety. In Busco *et al.* (2006), it was shown that it was only after the second acquisition that the institutional change took place. The change process due to the crises, which challenged the status quo, resulted in the creation of the new routines. In the study, accounting acts as a source of trust to enable the change. Trust can, in some situations, enable the process of change.

Hassan (2005), in a similar study to Nor-Aziah and Scapens (2007), also shows that the accounting reform failed and met with resistance. In the study, the commercial orientation culture failed to challenge the hospital's institutions (i.e. saving life). Despite being portrayed as a system that could improve efficiency, minimize waste, and improve quality, it was resisted because the physicians feared that their power would diminish. The emphasis on financial measures meant that power was transferred from the physicians to the accounting personnel. Hassan (2005) suggested that the new system might be welcomed by the organisational members if the hospital's institution was radically changed from "health care institution" to "multi products organisations", which might preserve the physician's power.

Also, various literature has specifically looked at the use of PMS to effect change in organisations (Vaivio, 1999; Modell, 2001; Hussain and Hoque, 2002; Hoque *et al.*, 2004; Siti Nabiha and Scapens, 2005; Othman *et al.*, 2006; Andon *et al.*, 2007). Andon *et al.* (2007) argued that several attempts to formulate KPIs in a business unit of an Australasian telecommunications organisation failed despite the expenditure of a considerable amount of time and money. The authors argued that the unsuccessful implementation of balanced scorecard (BSC) to inculcate the commercialization was due to the "relationally-dependent and experimental nature of accounting change" (Andon *et al.*, 2007, p. 273).

The experimental and relational nature of accounting change brought several meanings to the new PMS. It thus resulted in confusion over the formulation of the KPIs.

In Vaivio (1999), it was found that the influence of the total quality management concept on performance management was non linear and complex. The intended and disruptive reform was not solely driven by the total quality agenda but due to other formal and informal elements as well. The case further demonstrated that revolutionary change in management accounting routines is associated with an intended and systematic organisational initiative driven by key actors in the organisation.

Literature has shown that in many instances the introduction of an accounting system, which challenges the existing beliefs, norms and values of organisation, is subject to resistance (Siti Nabiha and Scapens, 2005; Othman *et al.*, 2006). Siti Nabiha and Scapens (2005) have shown that the introduction of the new KPIs for managing employees' performances was resisted. The managers did not welcome the new system even though it was being implemented on the instructions of the parent company. Some modifications were made to the system and it was ceremonially implemented. Hence, the real benefits of adopting the new PMS under the value-based management were not materialised. The study, however, highlighted that there was a successful accounting change because the new KPIs system was implemented and new reports were being produced. Nevertheless, there was also an unsuccessful accounting change because although there was some formal change, the ways of thinking remained the same.

Othman *et al.* (2006) also found that the introduction of a BSC in a wholly owned college of a Malaysian telecommunication company, to instil a performance driven culture, was resisted. Quite similar to Siti Nabiha and Scapens (2005), Othman *et al.* (2006) found that most employees did not feel accountable to the performance indicators included in the BSC. There was a lack of linkage between the performance appraisal system and the BSC. The authors further argued that Malaysian culture and leadership styles are in conflict with the human relation norms needed for the successful implementation of the BSC. Malaysian managers are prone to accept hierarchical culture, which emphasises status differences and prefer a non-participative mode (Kennedy, 2002). Thus, Malaysian organisations might have problems implementing the BSC.

There are also studies conducted on the changes in the public sector's PMS brought by the transformation programme (Collier, 2001; Modell, 2001; Hoque *et al.*, 2004). A case study conducted by Modell (2001) shows how managers played their roles to choose and decide in the face of strong institutional pressures to formulate the best PMS design for their organisation. The study highlighted how managers proactively designed and implemented new systems for performance measurement in the context of reforms within the Norwegian public health sector. The findings illustrated how institutional constraints are the cause for the lack of integration and coherence in PMS.

Another study on the public sector's PMS was conducted by Hoque *et al.* (2004). The study explored the changes in the accounting, accountability and PMS within the Australian police services. Apparently, the reforms in the police service, which were driven by the new public management, had two purposes. The first motive was to achieve institutional legitimacy from the electorate and the ordinary citizens and the second was to enhance the efficiency of the use of resources. The study has demonstrated how accounting was used to achieve the objectives of NPM.

The literature on PMS is abundant. However, literature that specifically explores the process of change in the PMS of an organisation that is undergoing some process of

transformation is still limited. Even more lacking are studies that are qualitative in nature that adopt a processual, historical and contextual approach, especially in Malaysia. Studies that take into account the organisational settings and societal factors are important since accounting can become a means of transforming an organisation as well as it being transformed by organisational and social factors. Thus, this study intends to fill the gap by studying how accounting has been used to transform an organisation and how accountants have played their role to bring changes into an organisation. Specifically, the study examines the evolution of the PMS in a Malaysian GLC to instil performance-based culture. Next, is the discussion on the theoretical framework, which is being used to inform the case findings.

3. Theoretical framework

The main theoretical lens used to inform the findings in this case study is the institutional theory. Alongside the institutional theory, Laughlin's (1991) framework is also used to enhance the understanding of the level of change that this organisation has gone through. Taken together, the institutional theory and Laughlin's framework should provide a richer understanding of accounting practice and theory as both are looking at the same phenomenon from different angles.

The institutional theory is chosen as the main theoretical lens because the study is specifically looking at the process of institutionalisation at an organisational level. The new institutional sociology (NIS) offers an explanation for the institutionalisation of new managerial innovations, such as PMS, that may be rational from a social perspective rather than from an economic perspective. Under NIS, it is assumed that people live in a socially constructed world that is filled with taken for granted meanings and rules. Their actions are routinised and undertaken unconsciously. Institutionalisation shapes the way activities, processes, cultural events and organisations become accepted as "institutions", and become viewed as normal and expected in everyday society.

The process of institutionalisation of the PMS occurs in organisations in the organisational field or environmental level and at the individual organisation level (Zucker, 1987). The process involves the creation of new structures, new practices and roles that later become routinised and formalized in the organisation. The practices are embedded in the organisation and self-maintaining over certain periods of time. After being institutionalised these processes or practices will be taken for granted and accepted as norms "without further justification or elaboration, and are highly resistant to change" (Zucker, 1987, p. 446). Hence, it is expected that during the process of institutionalisation of the PMS practices, some changes in terms of structure, practices and roles might occur. Some forms of resistance might also be expected if the new system challenges the values of the old system. However, if the new system conforms to the existing values and norms, some elements of stability are inevitable (Burns and Scapens, 2000).

The isomorphic forces could be classified into competitive and institutional isomorphism (DiMaggio and Powell, 1991). Competitive isomorphism concerns efficiency. When there is one best, cheapest or most efficient way to do things, eventually the forces of competition will impose upon organisations that one best way. There are three forms of institutional isomorphism as described by DiMaggio and Powell (1991). The first is coercive isomorphism, which results from both formal and informal pressures exerted on organisations by other organisations upon which they

are dependent and by cultural expectations in the society within which organisations function. Government regulations, for example, can coerce organisations into adopting new procedures. The second is mimetic isomorphism, which results from an organisation following other organisations due to uncertainty, poorly understood technologies or ambiguous goals. The best and safer ways are to follow others in similar situations when organisations are faced with environmental uncertainty. There is reassurance in following what other organisations are doing. The third is normative isomorphism, which results from the influence of the professions on organisations and their elements. Organisational personnel who are also members of a profession are recognized as possessing specialised training and knowledge. The experiences of a specialised education and professional networks could shape the institutionalisation process of the PMS in the organisation. DiMaggio and Powell (1991) suggested that the state and professions are influential parties in explaining how rationalized procedures spread among organisations.

Another important element in NIS is the quest for legitimacy. Legitimacy can be secured for organisations by adopting structures and processes prevalent throughout the organisations' field – through processes of isomorphism (Suchman, 1995; Deephouse, 1996). The organisation will conform to the expectation of the constituents by adopting some rationalized institutional myths that enable the organisation to gain legitimacy and secure vital resources for long-term survival (Meyer and Rowan, 1991). Normally, the adoption of rationalized myths is in the form of structures that are displayed by other significant organisations through some isomorphic process (DiMaggio and Powell, 1991).

NIS also touches on the issue of loose coupling. Loose coupling is a term that refers to a situation in which the organisational members separate their organisational activities from the formal structure. It means the existence of formal rules and procedures are for ceremonial purposes only. Different sets of rules are used for running the daily organisational activities. NIS suggests that the organisational structures used to obtain external support from constituents will be inadequate to depict what is actually accomplished due to the loose coupling situation. In certain cases, what the organisation should be accomplishing, according to how it portrays itself, has little relevance to the technical work that is actually performed. In some cases, suboptimal results are not only accepted but also preferred (Powell, 1991). Hence, the structures that came together with the PMS, if adopted ceremonially, may not be able to explain the actual performance of the organisation. Thus, if loose coupling exists in the organisation, it is difficult to justify how the PMS could be a better accountability system. The PMS could only be ceremonially adopted.

If institutional theory is best used to explain the institutionalisation process of the PMS practices, Laughlin's (1991) framework, however, is used to explain and analyse the internal processes of organisational change. Laughlin's framework provides a "skeletal" framework to understand the change processes in organisations without ignoring the important details of the changing practices (Broadbent and Laughlin, 2005). The framework, which is based on the Habermasian German Critical Theory, assumes that an organisation contains "interpretive schemes", "design archetypes" and "sub-systems". As argued by Laughlin (1991, p. 211):

Organisations contain certain tangible elements about which intersubjective agreement is possible (e.g. the phenomena that we call buildings, people, machines, finance and the

behaviours and natures of these elements) and two less tangible dimensions which give direction to these more tangible elements and about which intersubjective agreement is very difficult. This less tangible part is divided into two progressively invisible parts: a design archetype and interpretive schemes, both of which are created and sustained by the past and/or current organisational participants.

While the subsystems refer to the tangible elements in an organisation, the interpretive schemes refer to the shared fundamental values, beliefs and norms that exist in the organisation. The design archetypes lie in between these two extremes and comprise “structures and (management) systems given coherence and orientation by an underlying set of values and beliefs” (Hinings and Greenwood, 1988, cited from Broadbent and Laughlin, 2005, p. 15).

Broadbent and Laughlin (2005) assumed that all three elements must be in some sort of balance for an organisation to be in its “ideal” state. Laughlin (1991) did not ignore the conflict and disagreements that exist in organisations but suggested that at some level, there will be certain features that bind the organisation as a whole:

Once such a balance and coherence is achieved at some level (even if many voices and opinions are quashed by this general ethos) “inertia” around this dominant perspective becomes the norm (Laughlin, 1991, p. 213).

A “disturbance”, coming from either the external environment or introduced internally can shake the balanced position. There could be many forms of disturbance but Laughlin suggested that organisations will change “when forced or ‘kicked’ or disturbed into doing something” (Laughlin, 1991, p. 210). A transformation programme introduced in an organisation could serve as an environmental disturbance.

There are two levels of organisational change suggested by the Laughlin (1991) framework: the first order and the second order. The first order change involves “[...] making things to look different while remaining basically as they have always been” (Smith, 1982, cited from Broadbent and Laughlin, 2005, p. 16). The first order change does not affect the interpretive schemes but may affect the design archetypes and the subsystems. The change could take two pathways, i.e. the rebuttal and the reorientation. Under the rebuttal pathway situation the environmental disturbance has only enough pressure to affect the design archetype but is not strong enough to affect the interpretive schemes and the subsystems. The disturbance brings about some change in the organisation in terms of processes, but, when the pressure is rebutted, the organisation may return back to its original design archetype. However, under the reorientation pathway, the disturbance has enough pressure to change both the design archetypes and the subsystems.

The second order involves change “that penetrates so deeply into the ‘genetic code’ that all future generations acquire and reflect these changes” (Smith, 1982, cited from Broadbent and Laughlin, 2005, p. 16). The second order change also takes two pathways, i.e. colonization and evolution. In these types of change, all three elements will change due to the environmental disturbance. Under colonization pathways it is assumed that the disturbance leads to changes in the design archetypes, which are then balanced by the new subsystems and new interpretive schemes. Laughlin (1991) assumed that it is the changes in the design archetypes that bring about change in the interpretive schemes. The process of change in the interpretive schemes has no reference whatsoever to the previous scheme. However, under the evolution pathway, it is assumed that the environmental disturbance shakes the interpretive schemes.

The situation drives the organisation to design a new interpretive scheme, which then reshapes the design archetypes and the subsystems. The changes may take several years to complete as they involve a major shift in the interpretive schemes, but the change is well accepted by all organisational members.

In short, the institutional theory provides assistance in terms of explaining “how” PMS practices become institutionalised in the organisation while the Laughlin’s (1991) framework provides a lens into the “what” has changed in the organisation. Both theories are complementary to each other in understanding the case findings.

4. Explanatory case study method

An explanatory case study method is used in this research as it allows an in-depth understanding of the ways in which PMS are used on a day-to-day basis. This type of study will provide a rich description of the present situation as well as historical aspects such as the administrative and organisational context. This type of inquiry also allows interesting processual issues to emerge (Dent, 1991; Dawson, 1997).

In this study, permission from the organisation (Tiger[1]) to conduct a case study research was obtained in 2005. The contact person with Tiger was the Training and Scholarship Manager under the Human Resources and Development Division. The first contact with the manager was made in August 2005. Preliminary case study visits were conducted in July and August 2006. The purpose of the visits was to evaluate the social acceptance of the employees of the organisation as well as to make sure that the selected case company is undergoing the phenomena of the study. During the preliminary visits, several interviews were conducted to gain ideas on the practice of PMS in Tiger. The interviews and document reviews revealed that Tiger had some form of PMS even before the GLC transformation programme. Tiger was using the BSC framework for its PMS. All four perspectives: financial, internal process, customer and learning and growth were used when setting the KPIs for Tiger.

Although Tiger has several strategic business divisions, the research only concentrates on one division, namely, Delta[1], due to time constraints. Delta is the division that deals directly with the customers and controls the distribution channel for Tiger. It employs the largest number of employees with around 16,000 people. The employees are grouped into customer network and retail operation in order to satisfy the demands from more than seven million customers. Currently Delta has 13 state offices, 36 area offices, 53 branches, 32 small branches, 13 service centres and 142 shops located throughout the country.

A full swing data collection process was conducted between April 2007 and February 2008. During the 11 month-period of data collection, interviews with 44 organisational members, ranging from senior management to clerks, were conducted. The list of people interviewed is shown in the Appendix. Several internal documents such as the PMS circulars, PMS-KPIs manual, the Annual Reports, *GLC Transformation Manual*, the *Blue Book* on PMS, internal magazines and several other related documents were reviewed. Two meetings were attended, including the PMS training for the Accounting division supervisors and the meeting between the management and the union representative. Informal conversations and observations were also made during the research visits to the organisation. Three Khazanah members were interviewed to obtain the government view on the GLC transformation programme and the implementation of the *Blue Book*[2].

Most of the interviews lasted between 1 and 1 1/2 hours. The interviewees were from the headquarters, from Delta division and the state offices. There were cases where some managers were interviewed more than once. All interviews were recorded. The interview data were transcribed and analysed using thematic-networks (Attride-Stirling, 2001). Data that came from informal discussions and observation was kept in research notes such as diaries. The analysis of data took place concurrently with the data collection. The case findings and discussion are in the following section.

5. The background of the case company

Tiger was established through corporatisation and privatization policy implemented by the Malaysian Government in the 1990s. Before privatisation it used to be a government agency, supplying utility to the public. The agency was set up in order to take up three specialized projects for the provision of utilities to the country before Malaysia achieved its independence. During those days, the agency was headed by British expatriates. Therefore, it is quite understandable that the system and the process that are currently used by Tiger have much in common with the British system.

After the country achieved its independence in 1957, the process of “Malayanisation” in Tiger took place. The government sponsored students to study engineering and related areas to take over the top management positions from the British. The practice of sponsoring students continues even to today to ensure an adequate supply of manpower in the organisation. Nowadays, Tiger itself sponsors students to study in areas related to its business. The sponsored students are normally bonded for a number of years to work with Tiger. Thus, Tiger’s employees are mostly considered as “born and bred” by Tiger.

The early focus of the agency was to ensure enough supply for industries. To meet the extra demand from the industries and the country as a whole in the early 1980s, the agency needed to expand. To finance the expansion, on top of the government allocation of RM1billion, the agency also borrowed a further RM1billion each from foreign and local sources. In the late 1980s, Tiger was in a bad financial position. The level of gearing was very high. Labour costs had increased due to the increase in the number of employees. In fact, Tiger was not facing the dilemma alone. Other government agencies were also facing financial problems as commented on by the then prime minister:

Upon gaining independence, the Government inevitably had to take the leading role in developing the country, in view of the limited capacity of the local private sector at that time in terms of entrepreneurial, managerial and financial resources [...] By the 1980’s some 10 billion ringgit was directly invested in about 1,000 companies. Guarantees total 25 billion ringgit. While some succeeded admirably, most failed. Even those which are monopolistic are not able to pay their way, much less make a profit. The pendulum had obviously swung too far. While we cannot say the policy is a total failure, for much experience had been gained from it, we cannot continue to pay this very high price. Given this scenario, the Government at the beginning of this decade, decided upon privatisation as a way out (Mahathir, 1988).

Consequently, the government embarked on a privatization programme in 1983 and subsequently launched the Privatisation Master Plan in 1991. Several Acts such as the Electricity Act 1949, the Pension Act 1980, the Telecommunication Act 1950 and the Port Act 1963 were amended to facilitate the privatisation process (Economic Planning Unit, 2003). In the early 1990s, Tiger was among the agencies that went for privatisation. In the subsequent years, Tiger’s shares were listed on the Kuala Lumpur Stock Exchange (now known as the Malaysia Stock Exchange).

The government expected several benefits out of the privatisation of Tiger. First the exercise should relieve the administrative and financial burden of the government on Tiger. Second, it should also improve the effectiveness and the quality of the services rendered by Tiger. Third, through the privatisation exercise, entities such as Tiger would be encouraged to adopt private sector management practices, which focus more on financial returns. Lastly, it should contribute to the attainment of the goals set for the New Economic Policy[3], which was introduced in 1971. Ideally privatisation should lead to greater productivity in Tiger, which could then be translated into greater income (Mahathir, 1988) and should also improve the effectiveness and the quality of services.

It is quite difficult, through privatisation, for Tiger to transform itself from a public service provider to a profit making organisation overnight. Tiger had been under the direct administration of the government for more than 40 years. Thus, the internal control system, the financial policy, and the working culture were predominantly shaped by the government. Despite being publicly traded on the stock exchange, Tiger is still owned by the government through its investment arm, which is Khazanah Nasional Berhad. In essence the government still plays an important role in shaping the future of Tiger.

Furthermore, Tiger operates in a highly regulated industry. Entrance to the industry is subject to the approval of the regulator. While there are competitors in the industry, Tiger still enjoys its monopolistic position as the entrance cost to the industry is very high and, in addition, the industry is highly regulated. Although Tiger on a regular basis needs to submit its performance report to the regulator, and also to Khazanah, focusing on capacity measures in the local market; Tiger is not facing intense competition. Thus, due to the nature of the business and the lack of driving force in the local market, there is simply not enough pressure for them to perform beyond the necessary. The other competitors rely on Tiger in terms of distributing utilities to the end-users as Tiger monopolizes the distribution channel.

Being the main provider of utility, the performance of Tiger is always judged by the public. For example, in 1996 Tiger was heavily criticised due to its bad performance. The company failed to provide its services as demanded. Hence, in the pursuit of becoming more efficient Tiger transformed its three strategic business units into subsidiaries. The process took place between 1997 and 1999. The wholly owned subsidiaries were supposed to be able to meet the demand of the customers effectively and efficiently. However, in 2004 Tiger changed its structure again. Under the new management team, the three subsidiaries were made dormant and all of their activities were taken over by Tiger. Instead of subsidiaries, they are currently known as divisions, each headed by a vice president (VP).

Until late 2007, along with these three strategic divisions, Tiger also had five supporting divisions, i.e. Accounting, Corporate Services, Human Resources, Information and Communication Technology and Investment Management Division. As part of the GLCs transformation initiatives, the government appointed a new CEO to lead the management of Tiger on a three year contract basis. A new chief financial officer (CFO) was also brought into give significant effect to the changes. The CEO and the CFO are now in their second term of appointment.

Tiger again changed its structure in early 2008. Group finance, headed by a senior vice president (SVP), was formed by merging the finance and investment divisions and also the business development unit. Two new divisions, procurement and planning, were set up. The procurement division, headed by a senior general manager (GM), was

introduced to take care of procurement policy, tender process and other procurement-related processes. The business planning division, headed by a VP, was set up to merge the technical planning and strategic planning of the organisation. The objective of this restructuring was to provide more emphasis on the financial aspects.

5.1 Attempts to imbue commercial orientation

The early introduction of commercial orientation into Tiger in the 1990s can be traced back to the privatization of Tiger. After the privatization exercise, Tiger was expected to concentrate on making business on behalf of the government while maintaining its previous role as a public service provider. As commented by the then prime minister:

The main objective of the privatisation policy is to improve productivity. Improving productivity means increasing the production capacity while maintaining the costs of production or increasing the production capacity at a slower rate of increasing costs of production. Under these conditions, profits could be improved without charging higher prices to the consumers (Mahathir, 1990).

Ironically, despite the emphasis on being an efficient provider of utilities, the first thing that was tackled in Tiger was to ensure that the employees' salaries were competitive with the private sector's salaries. The trade union, a feature that was inherited from the British system, played its role to ensure that the employees' benefits were given the highest priority. Nonetheless, the expectation of a better compensation scheme from Tiger's employees was quite understandable as they were expected to adopt a new paradigm of doing business. Hence, the employees required different modes of compensation scheme. The prime minister's speech, made on the day that Tiger was incorporated, acknowledged this fact:

Opposition to privatisation comes largely from the employees and their unions. This is understandable. Working in a private sector organisation with its stress on efficiency and profits cannot be the same as working in a government department where public revenue guarantees the financial capability. Even when the salary is the same, the feeling differs (Mahathir, 1990).

Being in a regulated industry, Tiger is subject to supply reliability measures as indicators of performance. Thus, during the early days of privatisation, despite the emphasis on the financial returns to the shareholders, the KPIs were more to ensure the continuous provision of supply. As illustrated by the VP of Delta:

In terms of KPIs, we already have them. Like the practice of preparing the business plan has been around for a long time. KPIs and the [Delta] Index that are being used currently have been around for a long time. For example, like supply reliability index, things like ACP [Average Collection Period], CSI [Customer Satisfaction Index], some of those things have been around for many years, long before the launching of the GLC transformation programme.

The benchmarking process was not conducted and targets were loosely set. The practice was illustrated by the senior GM:

We just plucked the measure out of the air [...] we didn't have the basis.

The strategic business units were evaluated on a cost basis rather than on profits. The reward and penalty system were not linked to the PMS when giving salary increments, bonus or promotion. Mostly, bonuses were based on company performance and given equally to all levels of employees irrespective of individual performance.

Prior to the Asian financial crisis, Tiger was already being criticised for its poor performance. Tiger was seen as an unreliable supplier of utility due to its failure to meet its reliability standard. The economy was growing rapidly but Tiger faced problems in terms of supply. Tiger's situation deteriorated because of the Asian financial crisis in 1997/1998. Tiger had to bear a high level of debt, face slower economic growth, and incur higher costs of production and larger capital expenditure. The government felt that some action needed to be taken to improve the performance of Tiger. The first one was to deregulate the industry to allow greater competition. In response to the deregulation threat, Tiger made several changes such as the implementation of the BE7[1] programme and some organisational restructuring.

5.2 Unfreeze the dominant institution through privatization

Tiger's dominant institution is very similar to the institutions prevailing in the organisations studied by Nor-Aziah and Scapens (2007) and Sharma and Lawrence (2007), i.e. the public service orientation. Owing to its role of being the sole provider of utility in the country, Tiger is subject to its production reliability. Tiger's performance is closely monitored by the regulator of the industry. Conformance to the rules and regulations set by the regulator is given due attention by Tiger to ensure survival and protection. Tiger would be subject to public debates if they failed to meet the standard performance set by the regulator. That was what happened to Tiger in 1996 when it failed to meet its standard performance and the government threatened to deregulate the industry. However, in later years, the government did not pursue the deregulation exercise for various reasons.

Tiger could be described as a bureaucratic giant with approximately 30,000 employees. It features multiple layers of management, faces communication problems between functions, lacks a measurement culture and has an inadequate system of accountability. Sharma and Lawrence (2007) found similar characteristics in the organisation that they studied. These characteristics are the result of public sector management that has governed the organisation for the past 40 years. The rules and regulations that exist in Tiger and Delta are the result of the public sector framework, which, basically, focused heavily on capacity reliability rather than on efficiency.

According to the institutional theory, there could be some coercive, mimicking and/or normative isomorphism that could lead to the introduction of new management techniques in Tiger. New management techniques, such as PMS, require a change in the way employees do things and view things because it entails a different paradigm. The paradigm of commercial orientation is more on the bottom line. For the new institution to be enacted, the status quo must be challenged. How could an organisation such as Tiger, which has adopted a public service orientation for so long change to a financial orientation? How is the change done? How are the systems of accountability enacted in this organisation? In what way would the culture, politics, social and institutional affect the organisational transformation?

According to Williams (2007), the prevailing institution could be challenged if there are external "shocks" introduced to the organisation. There were in fact several attempts to introduce the "shock" or disturbances on Tiger since its incorporation in 1990. Among them were privatization, the introduction of competitors into the market, a threat to deregulate the industry and the GLC transformation programme. The emphasis of all the disturbances was to improve Tiger's efficiency. Under the

privatization programme, the GLCs, such as Tiger, were encouraged to adopt private sector management techniques to improve performance. It was clear that there was an attempt to introduce a new institution concentrating on the financial orientation while maintaining its public service provider role, which concentrates on production orientation. As shown by the speech of the then prime minister:

Based on the Privatisation Master Plan, [Tiger] has been identified as one of the government agencies that is most suitable to undergo a privatisation exercise as it has the potential to be competitive, productive, and also able to yield a better financial return through adoption of private sector management techniques. These may not be gained had [Tiger] maintained its position as a government agency (Mahathir, 1990).

Although the bottom line aim was spelt out, the implementation was left to the individual companies. The government promoted the NPM concept but left the concept to be adopted by the individual organisation without proper guidance. There was an attempt to introduce the new institution to Tiger, however, the mechanisms to support the change were not properly in place. The clear line separating the public sector roles and profit making roles was not defined. The public sector role still dominates the way employees see and view their work. There were not enough external “shocks”, as suggested by Williams (2007) to bring significant change to the dominant institution. Hence, the new orientation has not been institutionalised as indicated by the Head of Union:

I felt that when we were privatised, we should at least have a different management style from the top till the bottom. But now, in my opinion, we are still at the same level.

Tiger is facing the question of management, a question of leadership and ultimately a question of culture. How the government initiatives, such as privatization and the GLC transformation, will provide a solution for the problem of lacking the drive for financial efficiency? What went wrong in the process of inculcating the commercial orientation during the privatization programme in the 1990s?

In the first place, the privatization programme itself was rejected by the organisational members. Instead of focusing on organisational efficiency, the trade union, a feature that was inherited from the British system, played its role in ensuring that the employees’ benefits were given the highest priority. The new paradigm of doing business was not welcomed by the organisational members. Opposition to the privatisation exercise came from both the employees and their unions because, as a private sector, Tiger would have to adopt a new paradigm of doing business, which could directly challenge their traditional way of doing things.

As Laughlin’s (1991) framework suggested, the privatization exercise, as an external jolt, failed to change the interpretive scheme of the organisational members. Privatization also failed to provide a disconfirmation signal[4] to the organisational members. Consequently, the public service culture or rather the production orientation remained unchallenged. There was not enough force to create survival anxiety, which could then lead to the creation of psychological safety. Thus, the organisational members failed to translate their daily activities within the new paradigm of doing business.

5.3 Environmental disturbance driving the internal change process

The Asian financial crisis in 1997/1998 was seen as another environmental disturbance that brought some changes to Tiger. The crisis put Tiger in a severe financial problem.

The government had placed strong pressure on Tiger to improve its performance. An ultimatum was given to Tiger. Within five years, Tiger needed to show some improvement, failure might lead to deregulation of the industry. As noted by an assistant manager:

This [BE7] programme was due to the threat by the government. The government has threatened [Tiger] by saying that “Ok [Tiger], if you could not perform, then we will split your divisions into several companies”. Then the top management of [Tiger] has requested for certain period of time to improve itself. The top management has then initiated the [BE7] programme.

Owing to the threat of deregulation, Tiger responded by restructuring its organisational structure and also adopted the BSC framework for its PMS. Based on Laughlin (1991), the change in the design archetype in the form of organisational restructuring was needed to give balance between the interpretive schemes and the subsystems. While the interpretive schemes in Tiger remain unchanged, both the design archetype and the subsystem in Tiger changed. In Tiger, the change in the design archetype was reflected by the establishment of new subsidiaries taking care of the core businesses: production, logistics and distribution as well as the introduction of a new PMS based on the BSC framework to emphasise the performance indicators. The change in the subsystem was evidenced by the appointment of VPs to head the subsidiaries, who were then accountable directly to the CEO. Even though efficiency became the main factor in assessing the performance of Tiger, interestingly, rather than giving focus to the bottom line, the public service culture is still the dominant culture in Tiger. The adoption of the BSC in 1999 was due to the mimetic pressures faced by Tiger. It was deemed rational to adopt the BSC as the technique was also adopted by some other private organisations. The interpretive scheme remained unchanged. Management still adopted an authoritarian style. Hierarchical power was in place. Information was disseminated from top to the bottom as commented by an executive:

There is only one way. Up to down, like commands. If the downliners speak up, the information would not be heard. It is always like that.

Although a system of accountability was set up to challenge the interpretive scheme, subsidiaries were not evaluated on return on assets (ROA) or return on investment but rather on costs. During the early stage of the BE7 programme, employee promotion schemes were still very much based on seniority. A formal performance appraisal system was decoupled from the organisational strategy. Performances of individuals were not reflected through the organisational performance. This scenario explains why the bonus was given based on company performance rather than individual performance.

The top management of Tiger took the threat of deregulation quite seriously. In 2002, Tiger launched a programme known as the BE7 programme, which focused on its internal processes, core business and growth. Several management and technical initiatives, such as ISO certification, standard process improvement, employee empowerment programme and 5S were among the initiatives taken to “get the house in order” (VP of Delta). The implementation of several programmes was also due to some mimetic pressure as Tiger was assisted by a consultant to recognize the potential initiatives relevant to the corporate strategy. As pointed out by Granlund and Lukka (1998), in general, consultants bring about the mimetic isomorphism by suggesting similar management techniques to organisations within the same institutional environment.

Under the BE7 programme, a consultant was appointed to assist in the implementation of 40 initiatives. Each initiative had its own KPIs, which were tracked by an organisational transformation unit. The concept of cascading down the accountability and responsibility was also introduced at this stage:

All initiatives are owned by the respective VPs. However, as each VP owns multiple initiatives, the VP must delegate implementation of responsibilities to his or her HOD. As such, each initiative has been allocated to a specific implementor. This is done to ensure accountability and responsibility with respect to the performance of the initiatives (Internal document).

There were three themes recognised under the transformation programme, i.e. getting the house in order, defending the core business and positioning for growth. The three themes were then supported by seven major initiatives. The importance of the financial implications of the transformation programme for Tiger was stressed by these initiatives:

There are seven initiatives that are core to the success to the [BE7] project (i.e. they bring the most value in RM as well as Tiger performance). In a sense, they will give us the “golden egg”. However, the other initiatives are needed, especially to take care of the goose! Hence, initiatives by all divisions are needed (Internal document).

It was also during this period that the new PMS was introduced to instil some awareness of performance-based ratings. The new appraisal system used a new rating system. Previously, Tiger was using values of 1-5 to assess the performance of its employees. Under the BE7, the new PMS used 1-3 as values to indicate the level of performance of its employees. The new system was linked directly to bonus, promotions, and salary increment. In-house training was scheduled for employees to ensure that the new system would be accepted as a new form of performance appraisal. Through the BE7 programme, top management signaled the importance of a performance culture.

The new remuneration scheme should provide a new interpretive scheme to the organisational members. The way organisational members conducted their activities to bring about results in Tiger was being challenged through the implementation of the new PMS, which was basically driven by a performance culture. The idea of getting a good promotion and receiving large sums of bonus, based on individual performance, were not included in the interpretive scheme under the public sector culture. However, through the GLC transformation programme, these were emphasised. Thus, the changes in the top management of Tiger make possible the institutionalisation of the new PMS under the GLC transformation programme.

5.3.1 Institutionalisation of performance-based culture. At the outset, the GLC transformation programme was driven by an economic motive. The “kick” or the “jolt” (Laughlin, 1991) was introduced into GLCs to change the interpretive scheme of the organisations. The disturbance was due to the criticism of Tiger and other GLCs as being champions in terms of size only but not in terms of providing good returns to their shareholders:

[...] the GLC Transformation Programme is undertaken in the context of the GLCs’ significant impact on the economy as producers, service providers, employers and capital market constituents. The urgency for transformation of GLCs is further underlined by its underperformance in terms of operations and financial indicators, at least over the last 15 years since 1990 (GLC transformation documents).

The year 1990 was the starting period when many government agencies were incorporated and later privatised. The privatisation exercise brought along with it the idea of commercial orientation, which attempted to challenge the public service orientation. The case data suggest that the status quo remained unchanged despite privatization. The GLC transformation programme was an initiative to revive the commercial orientation. Under the GLC transformation programme, the focus on maximising financial returns is very clear through the publication of several guidelines and several speeches of the prime minister. Furthermore, Tiger needed to have commercial sense as market globalisation created pressure in terms of a rapid increase in input costs.

An economic perspective on the institutionalisation of the PMSs suggests that organisational members act rationally and, hence, focus on explicit goals of enhancing efficiency (Scott, 2001). Such a rational choice perspective advocates that Tiger and their managers make decisions and adopt managerial practices purely for economic motives to improve performance. The desire to enhance economic performance could be due to the fact that the CEO needs to publicly announce his achievement on a quarterly basis. Furthermore, the CEO was appointed on a three year renewable contract. It was like:

[...] either you execute or get executed (Khazanah MD).

This phenomenon could lead many GLCs to adopt managerial innovations that supposedly help improve organisational performance (Roggenkamp *et al.*, 2005). However, despite the technical pressures, the PMS practices are being decoupled from the organisational activities. For example, although the employees are required to have proper performance planning in order to set stretch targets, some members do not practice it. A state GM illustrated this:

[...] because sometime we are still following the old fashioned way under the previous system. When we want to set the target, we don't take it seriously, some bosses would say [...] "it's okay you could just put any numbers. At the end of the year by the time you want to review performance, you come and discuss with me, tell me what you have done".

Hence, explanation from an economic perspective may not be enough to explain the process of institutionalisation of the PMS in Tiger.

Institutional theory assumes that the external and internal constituents play an important role in determining the organisational structure of an organisation (Brignall and Modell, 2000). Thus, it should not be a surprise to see changes in terms of the organisational structure of Tiger as the organisation is expected to conform to the transformation programme, which requires the adoption of certain practices. The organisation will conform to the expectation of the constituents by adopting some rationalized myths that enable the organisation to gain legitimacy and secure vital resources for long-term survival (Meyer and Rowan, 1991). From this view point, the PMS in Tiger could be viewed as a rationalised myth. Normally, the adoption of the rationalized myth is in the form of structures that are displayed by other significant organisations through some isomorphic process (DiMaggio and Powell, 1991). Hence, technical explanations of organisational structure are seen as incomplete (Scott, 2001).

NIS also offers an explanation for the institutionalisation of new managerial innovations, such as PMS, that may be rational from a social perspective rather than from an economic perspective. Based on NIS, the isomorphic pressures could lead to organisational transformation even if technical or economic advantage is lacking

(DiMaggio and Powell, 1991; Selznick, 1996; Scott, 2001). The isomorphic pressures faced by Tiger to imitate the system, can be powerful forces, which come from regulatory bodies or from normative influences (Di Maggio and Powell, 1991).

The issue of legitimacy is also important in Tiger because it is crucial to its ability to obtain resources from the environment (Suchman, 1995). Legitimacy for Tiger is seen as being similar to other GLCs in terms of managing performance as well as adhering to rules set by the main shareholder. Tiger strives to acquire or maintain legitimacy through the setting of KPIs (DiMaggio and Powell, 1991; Suchman, 1995; Deephouse, 1996). Hence, it should be expected that Tiger will conform to the GLC transformation programme to gain legitimacy. Failure to conform to the expectations of the government will mean that the organisation is no longer viable and, hence, could jeopardise its survival. Hence, the institutionalisation of a PMS in Tiger could be the outcome of actions to legitimize its existence from the perspective of its major shareholder, the government.

The institutionalisation of PMS in Tiger could also be due to the isomorphic forces from other environmental agents in the institutional environment. Tiger may have undertaken isomorphic activity in a rational and deliberate manner. In other words, the top management of Tiger were aware that they were mimicking others in their environment, as in the adoption of BSC as a framework for its PMS in 1999. Tiger might also undertake actions that were isomorphic without realizing that they were imitating other environmental players as the institutional processes and functions are often “taken for granted” and just seem “obvious” (Galaskiewicz and Wasserman, 1989).

It seems that three forms of institutional isomorphism, as described by DiMaggio and Powell (1991), exist to explain the adoption of the new accounting practices in Tiger. First, during the GLC transformation programme, it seemed that coercive isomorphism existed to shape the PMS practices in Tiger but were not strong enough compared to normative isomorphism. The CEO was coerced to announce the results publicly. To save face, he must perform and produce good results. Good results mean positive economic profit, low level of gearing and high ROA. A certain level of achievement is expected from the GLC transformation programme.

Second, the implementation of PMS in 2002 by Tiger, before the implementation of the GLC transformation programme, could be the result of mimetic isomorphism where the government has yet to impose its high performance culture concept to the state owned enterprises. The BSC concept was introduced into Tiger as early as 1998, as mentioned by the senior manager, organisational development:

It took me three years just to make people understand [...] I created a team, to champion about KPI. Around that period, somewhere around 1997, 1999, something like that.

The third is normative isomorphism, which results from the influence of the professions on organisations and their elements. The experience of a specialised education, and the involvement in professional networks, influence how professional personnel undertake their activities within an organisation. The government has made a special effort to appoint a new type of CEO to make sure the transformation programme proceeds as planned. Most of the newly appointed CEOs were professionals such as accountants. Tiger also received a new CEO who was an accountant by profession. The new CEO was appointed in July 2004, after the launching of the GLC transformation programme in May 2004. First, he concentrated

on the formulation of a 20 year strategic plan linked to the KPIs. Second, he emphasised the inculcation of a performance-based culture, through the PMS, by linking individual performance directly to the reward. Under him, the importance of PMS in terms of managing the performance of employees was stressed. DiMaggio and Powell's analysis of isomorphism suggests that two actors, i.e. the state and professions, are important in shaping how rationalized procedures, such as the new management techniques, spread among organisations.

The three types of isomorphism explain the institutionalisation of PMS in Tiger. However, the types of isomorphism might exist at different points during the organisational life. For example, first, the coercive isomorphism was more dominant during the early privatisation period. Second, the mimetic isomorphism appeared to dominate Tiger during 1997/1998, after the Asian financial crisis. Lastly, normative isomorphism seemed to dominate or shape the PMS practices in Tiger more during the GLC transformation programme. Whichever type of isomorphism existed to shape the PMS in Tiger they are just a means to explain the reasons why Tiger adopted the PMS practices. The pressure did not guarantee that Tiger would adopt a managerial technique that will necessarily bring greater efficiency or improved performance. In many cases the techniques are "taken for granted" as being necessary and appropriate because they legitimize the organisation in the view of internal constituents and external parties. The PMS and several other related policies to the GLC transformation programme have, thus, become the "rationalized myths" of the organisation (Meyer and Rowan, 1991).

According to Zucker (1987) the process of institutionalisation of the system in organisations involves the creation of new structures, processes and roles that later become routinised, formalized and embedded in the organisational fabric and are highly resistant to change. Hence, during the institutionalisation process of the new PMS, Tiger would have new structures, new processes and new roles that come with the system. Some forms of resistance are also expected as the new system might challenge the values of the old system. The new PMS carries with it a commercial orientation, which does challenge the existing institution of public service orientation. If the new system does not challenge the existing values and norms, some elements of stability should be expected even when some form of change takes place (Siti Nabiha and Scapens, 2005).

Normally, an institutionalized organisation like Tiger will put forth the general means to accomplish certain tasks. In this sense, formal or ceremonial structures provide a rational account of the purposes to be achieved and the general means of their achievement (Scott, 2001). Formal structures come from the state, professions, or other "successful" organisations. Hence, the structures and PMS processes may be adopted ceremonially by Tiger as there is a clear directive from the government to adopt the system.

NIS suggests that the organisational structures used to obtain external support from constituents are not enough to portray what is actually accomplished. In certain cases, what the organisation should accomplish has little relevance to the technical work that is actually performed. In some cases, suboptimal performances are not only accepted but also preferred (Powell, 1991) as illustrated by the CFO:

There will be occasion whereby projects will be accepted even though they have negative NPV [Net Present Value]. But they can always justify that this project is for a rural area, this is a social project or Corporate Social Responsibility.

Hence, the ceremonial structures that are displayed to accommodate the PMS may not be able to explain the actual performance of the organisation. However, the distinction between ceremonial structures and operational structures is difficult to generalize because it assumes a variety of forms and degrees (Fogarty and Rogers, 2005). For example, Orton and Weick (1990) have defined the separation of ceremonial structures and operational structures as the “decoupling” concept, which means distinct and separate. They also used the term “loosely coupled” concept to describe a different but interdependent relationship between the ceremonial and the operational structures. A study by Collier (2001) specifically illustrates how a loose coupling emerges from an accounting system that accommodates both institutional demands and operational demands. In the study, management accounting is seen to act as a discourse between the two demands, whereby the contradiction is minimized by common interests and power is used to enable the process of loose coupling.

Modell (2001) has highlighted how managers proactively designed and implemented new systems for performance measurement. In Delta, besides the formal PMS, its VP used an informal performance appraisal mechanism to motivate the state GMs and HODs. In another study, Modell (2003) argued that the loose coupling could be a “given” feature of institutionalised organisations and it could also simply be an outcome due to resistance at the micro level. Nor-Aziah and Scapens (2007) suggested that the loose coupling effect could be seen as the process that explains the outcome of the separation between the ceremonial structures and the operational structures. In their case study the new budgeting system was enacted but separated from the day to day operations and, thus, not acting as a source of decision making. In Tiger, the PMS was also enacted but not fully as intended. As explained by an executive:

The downliners are basically reluctant to change. What they want is the reward. For the downliners, if they do like this, in the month of August, or if not in June, July and August, they will behave.

An evidence of loose coupling also exists in Tiger as noted by the Head of Department (HOD):

It boils down to the way things are being executed in Tiger, if they[the management] want to suggest some programmes, normally it always comes with good rules and procedures, but when it comes to implementation, quite good but just in terms of the “buy in” only. That is the areas that we need to do extra work because there are good “buy in” only.

The role of PMS as an accountability system may not be materialised if the PMS is institutionalised ceremonially. The environmental factors, such as legal and regulatory systems, public opinion, professional practices and norms of competitive enterprise, have roles in the creation of rationalized myths. These environmental entities may also exert pressure on Tiger in multiple and complex ways. The myths may evolve within Tiger, resulting in the belief that its response to multiple pressures are aimed at efficiency when in reality they are aimed more at achieving legitimacy for the organisation. Hence, these technical procedures, such as the PMS and KPIs disguised as efficiency measures, are the rationalized myths that Tiger might adopt to achieve legitimacy and, thus, ensure its survival.

NIS theory is able to explain the institutionalisation process at the macro level only. The theory is lacking in terms of explaining the process of institutionalisation of the

PMS from within. The micro level analysis is still needed to explore the dynamic processes of accounting change, which involve social actions and interactions in individual organisations. Old institutional economics (OIE) and the Laughlin's (1991) framework may assist in the explanation of the institutionalisation of PMS within Tiger.

5.3.2 Human agents, change and stability. NIS explains how the institutional pressures are applied from outside the organisation. OIE, on the other hand, helps the understanding of change in the habits and routines of organisational members. There are several studies of management accounting change that apply the OIE (Vaivio, 1999; Burns and Scapens, 2000; Siti Nabiha and Scapens, 2005; Lukka, 2007). These studies take a position that management accounting systems and practices constitute organisational rules and routines (Burns and Scapens, 2000). The OIE framework explores the complex and ongoing relationship between actions and institutions, and demonstrates the importance of organisational routines and institutions in shaping the process of management accounting change.

Based on Scapens (2006), OIE recognizes that behaviour within organisations can become institutionalised or taken for granted. The Burns and Scapens (2000) framework focuses on the formal rules and informal routines. Lukka (2007) has used the Burns and Scapens framework to understand why, despite the existing problems, the case company seemed to be facing a dead end. The findings shed light on how change and stability can occur simultaneously as in the case of Siti Nabiha and Scapens (2005). Lukka (2007) extends the framework by drawing on the loose coupling to make sense of the findings. The study adds to the understanding of the interplay between the formal rules and informal routines. The knowledge is important for the successful design and implementation of management accounting change.

The transformation from the government agency into a commercially driven entity requires changes in managerial habits and routines (Sharma and Lawrence, 2007). Within Tiger, the internal changes driven by the GLC transformation were noticeable. Under the transformation programme, an accountant was appointed to head the organisation. The flagship that he carried denotes the importance of commercial orientation and the change that he was about to bring to the organisation. In his speech, the CEO made it clear that organisational members should be ready to accept some changes:

The changes are important in whatever endeavours that we take. Even more so in the period of globalisation when things are constantly changing. We could not afford to run away from not adjusting our mindsets or from not adopting the new way we tackle the tasks. If we fail to change, we definitely will lose out (CEO, internal document).

He was sceptically accepted as the head of an engineering-based company where the subsystem is dominated by engineers. For example, during an interview, an executive made the following remark:

He is a brilliant accountant. To run an engineering-based company? What about his technical knowledge? We are really an engineering company. We are involved in engineering works. There are lots of things to be done.

The new CEO introduced several changes in Tiger, which directly affect the subsystem of Tiger. First, the CEO tackled the manpower issue, which was seen as steps necessary to gain control in Tiger. Several posts such as the CFO, the head of security

and intelligence, the internal audit team and the VP for Delta were given to new people coming from both inside and outside of Tiger. Furthermore, aside from the CEO, the performance-based contract was also offered to the CFO, CIO, VPs and senior managers. By doing so, the corporate KPIs were cascaded down to the lower levels. Achieving KPIs became an important agenda for these managers because most of them were appointed on a performance-based contract. The disturbance in the subsystem through the use of the new employment scheme was to change the design archetype of Tiger. The new design archetype should be congruent with the financial orientation. For other levels of employees, achieving KPIs are also important as the PMS-KPIs are associated directly with the remuneration scheme, as illustrated by a senior manager:

Everybody have KPIs cascaded down from the headline KPIs. The headline KPIs were cascaded down to division, to department, from department to unit, from unit to individual. Then from the individual it is locked into the system for the purpose of monitoring the achievement whereby at the end of the day it will be used to appraise.

Based on Laughlin's framework, the changes could take the first order, i.e. the "morphostatic" or the second order change, i.e. the "morphogenetic" change pathways. The case data suggest that Tiger had a first order change pathway, classified as the "reorientation" change. Under the "reorientation" type of change, the intention of those who have power to control the design archetype is to find suitable systems and structures to absorb the disturbance. The aim is to ensure that the second order change does not happen to the interpretive schemes. It means the new designs and the new subsystem should be complementary rather than challenging the interpretive schemes. The CEO made some changes to the business operation but of a minimal nature. To preserve the engineering legacy in the business and in the attempt to be accepted as part of the subsystem, he maintained the key people in the business operations, the two most senior posts, the SVP posts, to take charge of the core business operations. What he first concentrated on was emphasising the importance of controlling costs. As illustrated by the Head of the Union:

This is what has created problems to us. Now the importance of costs is stressed. Like now we have a CEO who is an accountant. Being an accountant, he would surely concentrate on initiatives that would improve income of the organisation and programmes that would help him reduce the costs.

It was during this GLC transformation period that the new organisational structure was in place. The three strategic subsidiaries were made dormant and the activities were transferred to Delta and two other strategic business units, under Tiger. The design archetype in Tiger is continuously changing in order to keep the balance between the interpretive schemes and the subsystem. The new structure was imposed to improve the response time to customers and to increase its production efficiency. The financial returns were given the utmost priority as shown by the policy of disposing Tiger's non core business. Many of the non core businesses, such as investment made in overseas markets and stakes held in other producers, did not produce enough financial returns to outweigh the costs of maintaining them.

The focus on commercial orientation was also manifested through the importance of observing the cash flow movement while still holding on to the public service provider role. Delta was instructed to aggressively improve the revenue collection. Customers who failed to pay bills within the stipulated time are given a penalty charge, which is

reflected in the following month's bill. The average collection period and the technical and financial losses become significant performance indicators that are tracked, although the same KPI had long been used by Tiger and Delta. Instructions were given to the state GMs to hold meetings with the local councils and the police to mitigate the losses due to theft. At the organisational level, Tiger cooperated with other public utility companies to fight the problem. To show the importance of the technical and financial losses, the percentage of losses then became one of the corporate KPIs for Tiger and Delta. Furthermore, the state GM league table served as an informal performance review among the state GM. The GM league table had somehow become a language among the managers and was used as a tool to motivate their staff as explained by one state GM:

Do you know where we are [referring to the position in the league table]? Let us say number 4, or number 5? Do you feel good about yourself? How come the rest could do better? Of course we can do better. We must do much better next time.

Tiger also introduced some cost cutting measures to further intensify the financial orientation. The importance of the cost minimization policy also became part of the new design archetype. In order to manage the excessive overtime expenses, Tiger introduced a wage scheme, which was based on output rather than on the number of hours worked. There were some forms of resistance by the workers as the approach directly affected their incomes as well as challenging their interpretive schemes. The change in the design archetype through the remuneration scheme was resisted by the workers as it challenged their routines. The pressure for financial orientation, through cost conscious initiative, was also noticed by a manager who commented that:

We felt that we have already tightened up our belt. Actually in terms of normal expenses we didn't spend like we normally spent before. It was just that in order to reduce further it should involve work culture, like overtime.

Another action that was taken by the CEO to improve Tiger's cash flow was lobbying the government for an increase in price. The regulator finally approved the request to increase the price in 2006. In the CEO's second year, Tiger showed improvement in terms of its bottom line. It was very much due to the increase in price and the proceeds from the sale of non core assets. So besides the changing habits and routines, Tiger was also supported by the external pressure to improve its financial position.

Evidence, also suggests that the "reorientation" change pathways were in the form of the formulation of a 20 year strategic planning. When the new strategy was implemented, Tiger already had the BE7 programme running. The new leadership did not terminate the BE7 programme but, instead, integrated it as part of the KPIs under the 20 year strategic plan. A continuation of formal rules and informal routines were seen as necessary to ensure the success of the 20 year strategic plan. The new programme was not seen as a programme that would challenge the existing interpretive scheme of the organisational members. The BE7 programme continued until 2007 and was replaced by another programme. Basically the new programme was part of the 20 year strategic plan. KPIs such as customer satisfaction index became an important index to measure the performance of Tiger. The programme was seen as a continuation of the BE7 although it did not originate from it.

5.3.3 Formal rules and informal routines shaping the design archetype and subsystem. Formal rules concerning the settings of KPIs for employees were

established to ease the implementation of the PMS. The first *PMS manual* was produced in 2006. Circulars on PMS practices also act as a communication carrier between the management and the employees. Circulars are produced for every PMS cycle to remind employees about the required PMS practice. Access to the computerised system is blocked after a certain period to ensure the executives strictly follow the PMS cycle. A reminder letter is sent to those who fail to follow the cycle. Not all formal rules and written procedures are followed as commented by one HOD:

PMS is a very good system for a performance based reward system. It is a better system, rather than not having it. In principle, it is a better system. In implementation, however, is another matter.

It was only when the organisational members faced a problem that they realised that they had to follow the rules. As noted by the GM of human resource (HR):

The realization comes when they start differentiating people. When we started to introduce the system we had union issues. There were lots of issues. We came to know that some did not even fill up the form. They just signed a blank form, as long as they receive a two months bonus. Suddenly with the new system, they receive minimum bonus, whereas others receive more. Last year we did not receive complaints. I would think in a way it is understood now, the fact that we didn't receive complaints. In previous years, the complaint was very aggressive.

Some modifications to the system are made when setting the KPIs targets. For example, some leeway is given to the state GMs to use local figures instead of HQ figures for performance appraisal. The adjustments are done in order to accommodate the HQ figures, which are normally higher than the figures submitted by the local managers during the budget setting process.

In terms of budgeting, Tiger has formal written procedures. The process of getting approval for budget involves several stringent procedures. Yearly budgets are challenged at department, division and HQ levels. Moreover, the states or the divisions can request a lower budget if the actual expenses for the previous six months were less than expected. The practice is allowed to ensure the KPIs fall within the targeted range. Furthermore, the use of variance analysis is rather loose. Although the Accounting Department of Delta prepares the monthly variance cost analysis for the state operations, the explanations on the cost variances from the state are requested on a bi-monthly basis. The report is seen as more for serving formal reporting than for decision-making purposes. Preparation of a budget is a must but adherence to the budget is another matter. Managers can always give reasons as to why they are not meeting the target. The budgeting system in Tiger is loosely coupled with the organisational activities. The accountant is still very much playing a traditional role. The subsystem is clearly dominated by the engineers. As illustrated by the senior accountant at Delta:

We don't send the report of the variance analysis every month to the state. Even if we do, the explanations are the same giving the standard answer.

It seems that the changes in PMS in Tiger and Delta were done slowly and in stages. Modifications to the design archetypes and the subsystems were made to suit the present need of the situation. The new PMS has resulted in some tensions in the workplace such as a lack of motivation, "pleasing the boss" scenario, individualistic, and low morale among the employees, especially due to the normalization procedure, force ranking, quota, and implementation issues. Although training on the PMS was conducted, somehow some

information was not communicated effectively to the lower level. In fact the PMS is seen as belonging to HR affairs only and, practically, only useful for performance appraisal.

Although the BSC framework was introduced to Tiger in 1997 it was not used as the main driver for organisational change. The champion of the BSC (engineering background personnel based in Accounting Department) failed to promote the idea to the whole of Tiger. Owing to the lack of support from the top management, the BSC failed to become the tool to bring change in Tiger. Instead Tiger promoted the BE7, a programme that was still based on the BSC framework. Being seen as coming from the internal management and driven by the threat of deregulation by the regulator of the industry, the BE7 was accepted to bring changes in Tiger.

The failure to institutionalise commercial orientation during the privatization was also due to the problem of setting the performance benchmarks because Tiger seemed to be unsure about which direction to go. As illustrated by the senior GM:

When we had a clear direction then only we talked about performance. If we jumped straight to prepare the KPIs, that's what we have done about 15 years ago. We just plucked the measure out of the air.

Tiger also faced problems to determine the right measure. The difficulties added up in terms of setting the targets as Tiger, being a government-owned company, had to follow the Malaysian Plans to fulfil its national obligations.

At the individual level, the setting of the KPIs and the targets for lower levels were entirely up to the head of each unit. The rules stated that discussions should be held between the head and his subordinates. However, some did not practice this because the interpretive schemes remain unchanged. As noted by the State GM:

[...] because sometime we are still following the old fashioned way under the previous system.

The PMS was also perceived as subject to some kind of favouritism issue. Many organisational members commented on this particular setback of the PMS. Theoretically, the "pleasing the boss" scenario should be reduced as the individual is given 25 per cent for self-evaluation while their superior is given 75 per cent to award. However, the employees feel that the percentage is still not significant enough to reduce the favouritism effect. The assessment marks would very much depend on the superior's assessment. Hence, the employees view the PMS as an unfair assessment, which has basically failed to reward them fairly based on their performance. The "pleasing the boss" situation is as elaborated by the GM of HR:

Like for any system there will always be comments, positive and negative. Some are positive and equal share of negative because people view PMS as *jek jek bos* [in local language which means to please the boss] [...] they will always do it, no matter what.

An executive further added:

For KPIs we have Exceed Expectation, Meet Expectation, and Need Improvement. If we obtain Need Improvement or Meet Expectation, but you know your boss well, and your head of department also knows you well, and then your marks could be adjusted.

Although the written rules and procedures promoted the inculcation of a performance-based culture through the PMS practices, the habits and informal routines told a different story. In essence the change only occurred at the first order

level (Laughlin, 1991). The PMS was institutionalised ceremonially because the new PMS only managed to change the design archetype and the subsystems but has failed to challenge the interpretive scheme of the organisational members. This has resulted in the limited application of the PMS into the daily activities of the organisation. As Otley (2008) questioned it “to what extent they [these new management techniques] are truly ‘new’ rather than representing old wine in new bottles”. The PMS is viewed as within the domain of HR as explained by an executive:

To us, the PMS is the yearly computerized performance appraisal system.

The implementation of PMS was so limited. For example, only the rewards were linked to the PMS system. No fear or insecurity mechanism was installed and targets were loosely set. Many times explanations were accepted for the failure to meet the target without a penalty imposed on the parties who have failed. So far no punitive actions have ever been imposed on the low performers.

The new PMS, as a new design archetype, was suffering from the loose target-setting, the force-ranking issue, the favouritism issue and the subjectivity in the performance measurement. On top of that the system was also criticized for its individualistic approach. In order to achieve the individual targets, individual employees might have to forgo the teamwork initiative. The teamwork concept was considered a shared value among the organisational members. With the PMS, the value was seen as eroded. As commented by a manager:

Ok, the bad thing about PMS happened when we are concentrating too much on the KPIs, such that we could not be bothered about others.

Despite the setbacks, there was also evidence that the organisational strategy was linked to the PMS. All employees were exposed to the KPIs rules and routines. However, several organisational members were of the opinion that the PMS practices belong to the HR domain. For example, during an interview an assistant manager gave this comment:

This PMS is being taken care of by the HR. If you want to know more, ask them.

After several years, the PMS has become part of the routine of the organisational members. Organisational members view the PMS practice as an HR practice and, thus, separate from the business activities. Thus, the new design archetype was only able to change the subsystem but not the interpretive schemes. Many times, the employees might just behave during the appraisal period. Modifications in terms of behaviour were made to suit the new system. Even more serious were the management habits and routines over the implementation of several initiatives in Tiger as explained by the Head of the Union:

There are times in a year when the management wants to elect the best employees or obtain the ISO certificate. So those were the times when the management were basically busy to ensure that equipment and safety procedures are being maintained properly. But the practice stopped at that point only. After the event, everything comes back to normal. They could not care whatever happened at the site.

It seemed that although the PMS should assist Tiger in intensifying its commercial orientation, employees treated PMS practices as separate from the organisational activities. The role of PMS in Tiger was seen as rather restricted and more applicable

to a performance appraisal system. It was like “even when surface evidence suggests change, the ‘new’ can be a mere rearticulation of the old” (Burns and Vaivio, 2001, p. 393). As noted by one head of department:

We are conducting the PMS practices as a yearly routine. Ok you do this and that and that is the time when you use PMS.

Although attempts were made to make it an instrumental tool, for the time being it remains enacted as a ceremonial tool. This study highlights similar findings by Siti Nabiha and Scapens (2005). Both studies, which have adopted a processual perspective, have shown that stability and change are not necessarily contradictory forces but can be intertwined in an evolutionary process of change. It seems that change is necessary to maintain stability in the interpretive schemes of the organisational members. The following quotation would best explain the process of change in Tiger:

If we want things to stay as they are, things will have to change (di Lampedusa, 1958, cited from Burns and Scapens, 2000, p. 21).

As explained by Laughlin (1991), in the first order change scenario, things seemed to look different but, basically, it remained the same. Changes could be in terms of physical or tangible assets and also in terms of HRs, but the way organisational members behave and view the world remain unchanged. As cited in Burns and Scapens (2000, p. 21), di Lampedusa concluded that “much would happen, but all would be play-acting”. Within the Tiger context, change was necessary to achieve legitimacy and to appear rational as a government owned organisation. It appears that both change and stability are playing their own roles to shape the organisational rules and routines in Tiger. Both the subsystems and the design archetypes have changed in order to preserve the existing interpretive schemes of the organisation. Thus, this study shows similar results to the case study conducted by Siti Nabiha and Scapens (2005) and Nor-Aziah and Scapens (2007) that the loose coupling could be the result of the complex and dynamic process of accounting change.

6. Conclusions

According to Burns and Scapens (2000) the new rules and routines, such as the new accountability system, might not be institutionalised if the new system challenges the prevailing institutions. However, organisational members who champion the new system may use power to enable the change. Although it could lead to the enactment of the new rules and routines it stayed at the level of ceremonial implementation. It means the rules and routines could be implemented but not translated into the daily activities of the organisation. In Tiger, the enactment of the new PMS as the new accountability system was also through the use of power possessed by the CEO. Although resistance came from the trade union, the power over decision making possessed by the top management dominated the power over resources possessed by the trade union (Hardy, 1996).

Based on the NIS perspective, the institutionalisation of the PMS in Tiger was not driven by the technical pressures but mainly by the institutional pressures. The institutional pressures are referred to by DiMaggio and Powell (1991) as a new “iron cage” because organisational transformation occurs as the result of isomorphic processes that make organisations more similar without necessarily making them more efficient. In Tiger’s case quite apart from concerns about improving the technical

efficiency of their organisations, the adoption of structures and processes, after the Asian financial crisis period between 1999 and 2000, could be due to mimetic isomorphism. It could also be due to the coercive isomorphism that Tiger will readily adopt structures and processes imposed by government upon which they are dependent, especially during the early period of privatisation. Professionals working in organisations, such as the CEO having an accounting background, also exert pressure on Tiger to adopt structures and processes that are consistent with the norms, values and standards espoused by their profession. This force is explained by normative isomorphism, which seems to be dominant in the GLC transformation programme.

In the case of Tiger, the evidence has also pointed to the first order change or morphostatic change pathways (Laughlin, 1991). There was a change in the design archetype and the subsystems to support the existing interpretive scheme. The change was evidenced in the form of a new accountability system, a new PMS which was supported by the new subsystems comprising both engineers and accountants. Over the period of study, Tiger and Delta underwent several changes but concentrated purely on the design archetype. The changes in the subsystem resulted mostly from the change in the design archetype.

The environmental disturbances, such as privatization and the GLC transformation, failed to shake the interpretive scheme of the organisation. The dominant culture prevailed in Tiger maintaining the *status quo* despite the disturbance forced upon Tiger. The implementation of KPIs and the performance contract were not strong enough to challenge the interpretive schemes of the organisational members. However, the disturbance did bring changes in terms of the design archetype and the subsystems leading to the ceremonial use of the PMS information.

At the point when the research was about to end, the CEO was already reappointed for the second term. The GLC transformation programme has entered its third phase. It appears that a number of changes have taken place in Tiger. A system of accountability has entered the divisional level where, starting from January 2008 onwards, the state GM will be held accountable for the profits and loss of the state operation. From 2008 onwards, Delta will be recognised as a profit centre. Projects will be evaluated on ROA and NPV, rather than simply purely on cost. Some transfer pricing mechanisms are expected to be in place. It is, therefore, interesting to note that Tiger is still in the process of change. However, the question remains as to what extent the level of environmental disturbance should be to initiate the second order change. As explained by the CEO, Tiger has yet to materialise the change:

It is pretty clear that Tiger has not yet finished the journey from a quasi-Government agency to a lean, competitive, customer focused organisation. Although there has been clear progress since privatisation in 1990 and the stock listing in 1992, we still have too many silos and are too much inward looking (CEO, internal document).

Notes

1. The real names of the organisation and its divisions are not disclosed for reasons of confidentiality. The actual names of the programmes have also been replaced with fictitious names.
2. The *Blue Book* provides guidelines on what GLCs could do to intensify the performance driven culture in their organisations.

3. The New Economic Policy was later replaced by the New Development Policy in 1991.
4. Based on Schein (1999), people are generally reluctant to change because they need to unlearn and learn some processes. These learning processes are uncomfortable and might produce anxiety. Nevertheless, they could still change if the three factors are in balance: the mechanisms of disconfirmation, the creation of survival anxiety and the psychological safety to overcome anxiety.

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Appendix. List of interviewees

	Position	Department/unit	Interview dates and times
1	Chief financial officer	Finance	12 February 2008, 10.30 a.m.-11.20 a.m.
2	VP	Human Resources Division	21 November 2007, 6.00 p.m.-7.16 p.m.
3	General manager	Organisational Development and Support Services, Group Finance	27 July 2006, 2.00 p.m.-4.48 p.m.
4	Head	Internal Corporate Communication	1st session on 16 April 2007, 12.00 noon-12.30 p.m.; 2nd session on 23 November 2007, 10.00 a.m.-10.50 a.m.
5	Manager	Scholarship and Training Manager, Group HR (position during 1st interview)	1st session on 17 July 2006, 11.00 a.m.-11.30 a.m.
		Head, Organisational Development and Support Services, Group Finance (shifted to a new position)	2nd session on 7 June 2007, 11.15 a.m.-12.15 p.m.
6	Manager	PMS Unit, Group HR	27 April 2007, 10.30 a.m.-11.00 a.m.
7	Assistant manager	PMS Unit, Group HR	1st session on 27 July 2006, 2.30 p.m.-3.00 p.m.; 2nd session on 16 July 2007, 11.20 a.m.-11.50 a.m.
8	Senior executive	Finance – Performance and Risk Management	20 July 2007, 10.00 a.m.-11.00 a.m.
9	Executive	Corporate Communication	20 June 2007, 3.00 p.m.-4.10 p.m.
10	Executive	ICT/Web site Management, Internal Communication	20 June 2007, 10.30 a.m.-11.15 a.m.
11	Junior executive	PMS Unit, Group HR	18 July 2006, 3.00 p.m.-4.30 p.m.
12	Chief clerk	Group HR	29 November 2007, 11.00 a.m.-12.00 noon
13	Clerk	External Corporate Communication	5 July 2007, 11.00 a.m.-12.10 p.m.
14	Head	Trade Union	29 November 2007, 9.00 a.m.-9.45 a.m.
15	Secretary general	Trade Union	20 November 2007, 3.00 p.m.-4.40 p.m.
16	Deputy secretary	Trade Union	13 November 2007, 2.00 p.m.-2.55 p.m.

Table A1.
Tiger's Head Office

	Position	Department/unit	Interview dates and times
1	VP	Delta	31 July 2007, 10.00 a.m.-11.10 a.m.
2	Senior general manager	Engineering Services	17 September 2007, 3.30 p.m.-4.20 p.m.
3	Senior general manager	Materials Management and Metering Services	16 November 2007, 10.00 a.m.-11.13 a.m.
4	Senior general manager	Operation Area	22 November 2007, 8.30 a.m.-9.11 a.m.
5	General manager	Human Resource Management and Administration Services	23 July 2007, 5.00 p.m.-5.30 p.m.
6	General manager	Finance	18 September 2007, 2.30 p.m.-3.20 p.m.
7	General manager	Strategic Management and Organisational Development	19 September 2007, 2.30 p.m.-4.16 p.m.
8	General manager	Engineering Services	6 November 2007, 4.15 p.m.-5.30 p.m.
9	General manager	Asset Management, Engineering Services	12 November 2007, 10.00 a.m.-11.08 a.m.
10	Senior finance manager	Budget and Financial Management	9 November 2007, 3.00 p.m.-4.50 p.m.
11	Senior manager	System Support, Finance Department	12 November 2007, 2.30 p.m.-3.47 p.m.
12	Senior finance officer	Capital Budget and Asset, Finance Department	15 November 2007, 2.30 p.m.-3.25 p.m.
13	Assistant general manager	Strategic Management	16 November 2007, 2.30 p.m.-3.48 p.m.
14	Manager	Human Resource Management and Administration Services, Training	20 November 2007, 9.30 a.m.-11.00 a.m.
15	Manager	Strategic Management	7 January 2008, 3.30 p.m.-4.30 p.m.
16	Manager	PMS Unit	26 July 2007, 3.00 p.m.-4.30 p.m.
17	Assistant manager	Human Resource Management and Administration Services, Contract Management	2 August 2007, 11.00 a.m.-11.43 a.m.
18	Assistant manager	Human Resource Management and Administration Services, Human Resource Planning	3 August 2007, 3.00 p.m.-4.00 p.m.
19	Welfare officer	Employee Benefits	3 August 2007, 11.00 a.m.-11.53 a.m.
20	Chief clerk	Human Resource Management and Administration Services, Contract Management	31 July 2007, 2.30 p.m.-3.14 p.m.
21	Chief clerk	Training	22 November 2007, 10.30 a.m.-11.25 a.m.
22	Chief clerk	System Support, Finance Department	15 November 2007, 11.00 a.m.-12.00 noon
23	Chief clerk	Property Management	2 August 2007, 2.30 p.m.-3.20 p.m.
24	Clerk	Recruitment	1 August 2007, 11.00 a.m.-12.00 noon

Table AIII.
Delta's State Office

	Position	Department/unit	Interview dates and times
1	State general manager	State	16 January 2008, 3.30 p.m.-5.40 p.m.
2	Chief engineer	Engineering Services	18 January 2008, 4.00 p.m.-4.50 p.m.
3	Chief engineer	Engineering Services	30 January 2008, 11.00 a.m.-12.14 p.m.
4	State accountant	Finance	24 January 2008, 10.00 a.m.-11.30 a.m.

Table AIV.
Khazanah Nasional Berhad

	Position	Interview dates and times
1	Khazanah chief operating officer	8 January 2008, 11.00 a.m.-11.30 a.m.
2	VP transformation office – MINDA	8 January 2008, 11.30 a.m.-12.40 a.m.
3	VP transformation office – <i>Blue Book</i>	28 January 2008, 2.30 p.m.-3.45 p.m.

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