The Balanced Scorecard: what is the score?
A rhetorical analysis of the Balanced Scorecard

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Abstract

The Balanced Scorecard currently receives much attention. This article analyses the means by which the authors of The Balanced Scorecard have created that attention. Is it the result of a new and *convincing theory*, or is it merely the result of *persuasive rhetoric*, where convincing theory differs from solely persuasive rhetoric in that concepts and claims are based on sound argumentation? The article concludes that the text is not so convincing as persuasive—a feature characteristic of the genre of management guru texts; and, at the end, the article discusses the reasons for and appropriateness of such a genre and the consequences that should follow from the results of the analysis.
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Introduction

Presentation of the problem

The Balanced Scorecard (BSC) is one of the latest innovations in management. It is a tool of strategic control developed by Kaplan and Norton and described in their 1996 book *The Balanced Scorecard*. The book has been awarded a prize by the *American Accounting Association* with the justification that it was "the best theoretical contribution in 1997". In the business world, the balanced scorecard has engendered great interest internationally. The question of whether this is due to its substance as an innovative and practical theory or simply to its promotional rhetoric provides the focus of this paper.

The balanced scorecard (Kaplan & Norton, 1996a) aims to solve the problem related to the historical nature of the financial measures of accounting systems (AICPA, 1994; Dearden, 1969, 1987; Hopwood, 1972; Johnson & Kaplan, 1987; Kaplan & Norton, 1996a; Merchant, 1985; Vancil, 1979). It does so by integrating financial and non-financial strategic measure variables in a cause-and-effect relationship which assumes the following: measures of organisational learning and growth → measures of internal business processes → measures of the customer perspective → financial measures. The assumption that there is a cause-and-effect relationship between the suggested areas of measurements is essential because the measurements in non-financial areas make the performance measurement system a feed-forward control system (de Haas & Kleingeld, 1999), which solves the problem of the historical nature of accounting data (Kaplan & Norton, 1996a, p.8). However, as argued by Nørreklit (2000) and as

summarised in the appendix below, there is no cause-and-effect relationship between some of the suggested areas of measurements in the BSC. Although there is considerable covariation between customer loyalty and financial performance, for example, it is not generic that increased customer loyalty is the cause of long-term financial performance. What we may claim is that customers which are not loyal are expensive, but it does not follow that loyal customers are inexpensive. Such a conclusion would be a logical fallacy. Similarly, although we know that, if it is raining, then the streets will be wet, we cannot conversely conclude that, if the streets are wet, then it is raining. Statistics cannot show that something is a logical fallacy. For example, financially successful firms only sell to loyal customers which are profitable; otherwise, the firms would not be successful; if a company has nothing but profitable loyal customers, the explanation may be that its management control system works well and that the company does not sell to non-profitable loyal customers. The creation of profitable loyal customers depends on the revenues and costs of making them loyal; it depends on a financial calculus, which is a logical relationship. The lack of a cause-and-effect relationship is crucial because invalid assumptions in a feed-forward control system will cause individual companies to anticipate performance indicators which are actually faulty, resulting in dysfunctional organisational behaviour and sub-optimised performance (de Haas & Kleingeld, 1999, p. 244). Furthermore, the BSC aims to solve the problems related to strategy implementation (Kaplan & Norton, 1996a; Kiechel, 1984; Mintzberg 1994; Simons 1995). However, the control model is a hierarchical top-down model not rooted in the environment or in the organisation, which makes it questionable as a strategic management tool (Nørreklit, 2000; see Appendix). Consequently, what the model offers is not particularly theoretically innovative and lacks a reliable theoretical base. The authors want to solve some problems that are commonly recognised, but they do not provide a valid model which can solve the problems they address.

This being the case, the assumption made here is that, in order to be able to present themselves as innovative nonetheless, the authors make use of unsound and not entirely sober argumentation, which they corroborate with their stylistic choices. By analysing some of the ways in which the authors win the approval of their audience for the BSC model, this article investigates the extent to which the assumption is tenable.

The investigation is relevant because it may show the importance of rhetoric and sound argumentation for the recipients' adoption of new management theories. Modernists (Descartes, 1637; Kant, 1790; Wittgenstein, 1921) want to keep rhetoric out of science, arguing for the omnipotence of rational and objective language. Post-modernists (Latour, 1987; Lyotard, 1984; McCloskey, 1998), however, acknowledge the role of rhetoric in science, citing in evidence science and scholarship, which employ storytelling, metaphors and authority arguments as rhetorical strategies intended to convince their audience. The position adopted in this paper is that, as long as there is an intention with human speech, rhetoric always forms part of communication;[1] but rhetoric may be persuasive without being convincing. Convincing rhetoric differing from solely persuasive rhetoric in that concepts and claims are discussed on the basis of *sound argumentation*. The question raised in this paper is whether the form of rhetoric used may be decisive in winning an audience over to a management theory such as the balanced scorecard, while the content of the theory may be less important? If there is a *management guru genre* of this kind, then this raises the question why the business audience can be seduced by such 'evidence' and what the reason for and appropriateness of such a genre might be. Furthermore, such a genre would indicate that good and bad theories alike are only likely to gain a foothold if they are couched in persuasive rhetoric. This ought to influence the way in which researchers present their theories and models to business managers and the way in which managers communicate theories and models to their organisations.

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[1] Even Descartes (1637) and Plato, (Burnett, 1899–1907) in the dialogues of Gorgias and Faidros, where these argue against rhetoric, were forced to use it (Fafner, 1997).

Method

The investigation presented here employs methods familiar from stylistic text analysis and argumentation theory. Thus the position taken here is that rhetoric includes not only stylistic devices but also the various types of "argument" used to develop a subject (Aristotle, 1996; McCroskey, 1978). As a result, both the form and the content of the message are taken into consideration. Using argumentation analysis, we can follow the thought process step by step through the text and visually represent the strength of the argumentation. There is a close link between the form of the language and the argumentation, the stylistic devices being more or less adequate for any given argumentation.

The investigation is based on Chapter 1 of Kaplan and Norton, *The Balanced Scorecard* 1996. This chapter was chosen because it introduces the key concepts and the internal coherence of the BSC model. Therefore, the chapter constitutes a reasonably well-defined unit. The first chapter is essential in indicating what the rest of the book contains but, the communicative situation of the first chapter of a book being special, some caution must be applied in generalising over the entire book. However, reading the rest of the book does not leave the impression that it differs significantly from the first chapter. Furthermore, the analysis presented in Nørreklit (2000), which justifies the claim made in the introduction earlier (see also the Appendix), i.e. the claim that what the BSC model offers is not particularly theoretically innovative and lacks a reliable theoretical base, also shows that the promotion of *The Balanced Scorecard* through the use of rhetoric is not justifiable on any "scientific" grounds.

The paradigmatic position of the present investigation may be labelled moderate social constructivism, the approach lying between modernism and radical social constructivism.[2] In order to clarify this position, we shall briefly discuss the social constructivist argument that any attribution of truth or falsity is related to a particular discursive practice (Foucault, 1972) or language game (Wittgenstein, 1953). A radical version of this argument may suggest that one argument is as good as any other, i.e. that no universal standards of logic or rationality can be applied. This paper agrees that the concept of sound argumentation is more multidimensional than the modernist worldview assumes. No grand metaphysical truth seems to exist and all claims may be questioned, but this does not mean that all claims are equally sound.

First, although we do not know what is absolutely right within a particular language game, we know what is absolutely wrong (Eco, 1999) because a language game has rules (Wittgenstein, 1953). Thus our concepts are constructs because human beings make the classifications and provide them with characteristics. This does not mean, however, that anybody can say anything about what a certain phenomenon is as the phenomenon is not the product of individual subjective convictions. Implicit or explicit criteria, i.e. language rules, apply to phenomena of any given category, which means that such phenomena may be discussed fairly objectively, independently of who is considering them, and enables us to give reasons for our conception of a certain phenomenon. We may have problems establishing the category to which the phenomenon belongs, but being has lines of resistance (Eco, 1999).[3]

Furthermore, we cannot avoid drawing on the discourse of reason itself; understanding even the history of madness (Foucault, 1971) involves the

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[2] The view of social constructivism is that human thought, discourse, agreement or concepts create the world (Collin, 1997). It is a fairly loose and ambiguously defined concept, however—see, e.g. Collin (1997).

[3] "Even though cognitive schemata are constructs imbued with "as if," which in Kant's view start from the still blind material of the intuition, and in Peirce's view start from a primary icon, this is not sufficient to provide us with any guarantee of "objectivity": there must have been something about the platypus that prevented the explorers from defining it as a quail or a beaver. This is no guarantee that it was right to classify it as a monotreme. Tomorrow, a new taxonomy may change the rules radically. Nonetheless, attempts were made right from the beginning to construct a schema of the platypus, respecting the grain possessed by the manifestation of the still unsegmented continuum." (Eco, 1999, pp. 120–121).

use of reason (Derrida, 1978, pp. 31–63).[4] Similarly, arguing for a radical relativist position requires logos, but the implication of such a position being that all arguments are equally sound, there is no reason for taking any arguments seriously including any argument for a radical relativist position. As a matter of fact, claiming that there is one absolute truth and that that truth is that there is no absolute truth is a contradiction in logical terms. The radical relativist may claim not to recognise logical arguments but, as logic also concerns reasoning using concepts,[5] this position leaves open the possibility of saying anything incoherent and of denying the existence of the phenomenon of thinking, which is absurd.[6]

As we may conclude that the meaning of concepts has lines of resistance and that not all arguments are equally sound, we are in a position to judge if the text is convincing or merely persuasive; non-convincing argumentation cannot

be justified on the grounds of social constructivism.[7]

The outline of the paper is as follows: the next section considers sound argumentation with a view to evaluating the extent to which this has been applied in the text. Subsequently, the next four sections analyse the actual genre of the text, reviewing the communicative situation of the text, the composition of Chapter 1, the stylistic devices and form of argumentation applied in Chapter 1. The last two sections discusses the analysis, drawing conclusions with respect to the actual genre of the text, and into perspective the results of the analysis and their implications for research into management and management control systems. This article draws on a number of rhetorical concepts which may be unknown to many readers. Explanations of these concepts may be found either in the endnotes or in the text.

It should be noted that other rhetorical analyses of the text than the ones presented below are entirely possible. So our claim is not that there is one and only one interpretation of the text, but that the more open to interpretation a text is the larger the number of possible interpretations will be. The paper focuses on some of the dominating rhetorical aspects of the text and it aims to document and argue for the interpretation presented here.

Sound argumentation

The sender of a text may attempt to win the approval of the audience by appealing to them in three different ways: through *ethos*, *pathos* or *logos* (Aristotle, 1996). *Ethos* is concerned with the recipient's trust in the sender such that the credibility or authority appealed to by the sender creates approval. *Pathos* appeals to the recipient's emotions and mood, while *logos* appeals to the recipient's

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[4] It is true that cultures which differ in time or space may have different criteria for such a phenomenon as madness (Foucault, 1971); but, within a temporally and spatially specified culture, there will be norms for what does or does not belong to the category of madness, thus making it possible to discuss and compare the phenomenon of madness across temporally and/or spatially different cultures.

[5] Logic is a rational element inherent in our ability to calculate and reason in a stringent logical manner. Mathematics, statistics, formal logic and the like are recognised disciplines in logic and play a certain role in the methodology of scholarly work. However, logic also concerns reasoning through the use of concepts and the building of concepts including ones which are essential to our lives. "To equate modern thought with a view that the only form of reasonableness is mathematical and scientific rationality seems to be historically false. It may be true that this has been one important strand of European and American thinking since the eighteenth century, but it is only one. Other philosophers have advocated contrary views, which have equally become a part of the popular consciousness. We need only to think of Hume's denial that moral and practical thought could be conducted in terms of mathematical reason ('reason is and ought to be the slave of the passions') and of Rousseau's advocacy of a life lived in accordance with nature and simple emotions." (Matthews, 1996, p. 187)

[6] In addition, it should be noted that it cannot be merely the habits and practices developed within a discursive practice which give validity and authority to an argument, if that were the case, the logician would have to wait for the results of the anthropologist's research (Toulmin, 1974).

[7] Finally, it should be mentioned that without reason, and hence criteria for what is true or false, only power can set criteria, which implies that no sort of democracy can exist. Ever since Socrates' clashes with the sophists, the fact that power is the only alternative to arguments has been the reason for scientific argumentation, however imperfect that argumentation may be.

Direct, unequivocal   Indirect, open to interpretation

Logic, intellect   Intuition, emotion

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Academic dissertation   Poetry
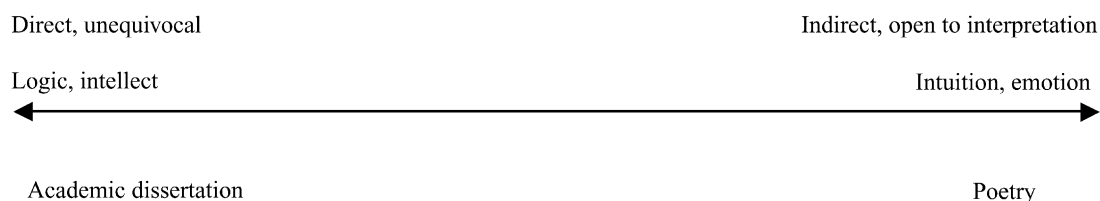
Fig. 1. Scale of modes of expression.

rational commitment. *Logos* covers everything humans are able to establish through reason. It includes not only logical arguments but also inductive and abductive arguments.

The genre of a text creates certain expectations concerning the appropriate combination of these ways of appealing to the recipients. A scholarly text based on sound argumentation is expected to appeal extensively to the recipient's *logos* and little to his or her *pathos* (Brandt-Pedersen & Rønn-Poulsen, 1982; Jørgensen, 1996; Toulmin, 1974). It is expected to be logical, direct and unequivocal. This genre differs from poetry, which is expected to appeal much to the recipients' *pathos* and little to their *logos* (cf. Fig. 1). To be convincing, a text has to use sound logos. However, as long as natural languages and man-made texts exist and not merely artificial languages and computer communication, pathos will be involved in any communication among human beings. Yet if a text appeals too much to pathos and insufficiently to logos, then it becomes emotional, imprecise and open to interpretation. A text which is merely persuasive does not use sound logos. One may even argue that, to all intents and purposes, a text characterised by scholarly sound argumentation will to some extent be imprecise and open to interpretation but that sound argumentation has lines of resistance.

Soundness in argumentation relates to the unbiasedness and solidity of the data and warrants we produce to support our claims and the firmness of the backing we provide for them (Toulmin, 1974). Reading scholarly work, we look for logical and empirical support of the claims made, i.e. for sound argumentation. It is true that various research paradigms use different criteria for establishing validity (Arbnor & Bjerke, 1996, p. 22), nevertheless, we want our knowledge to be

valid. It is not only in scholarly work, however, that we look for sound argumentation but also in some everyday communicative and knowledge creation situations although, in such instances, the logos may be weaker as, e.g. in a popularised research text, which may have fewer references, less data and more imprecision than an academic dissertation (Latour, 1987). In general, sound argumentation should not be allowed to include any violation of any general rules for making claims or drawing conclusions, i.e. it should disallow logical fallacies, contradictions and concepts whose meaning gradually or radically changes in the same text (Espersen, 1971).

Scholarly arguments may be presented in many ways, sometimes by the use of *analogies*[8] or *metaphors*,[9] which make them readily acceptable or self-evident (Matthews, 1996, p. 178). However, analogies and metaphors can also be used for propagandist purposes or as outbursts without sound logos. Thus, *"True, devices of rhetoric such as metaphors can be veils over bad arguments. But they are also the form and substance of good arguments,"* (McCloskey, 1998, p. 13). In order to understand the difference between the two ways of using analogies and metaphors, it may be useful to take a closer look at their strengths and limitations. When analogies and metaphors are used, qualities are transferred from one object to

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[8] An analogy brings together several metaphors from the same semantic field. The link between the imagery and the object(s) compared is made explicit by means of a linking device such as *like, as* or *as if*. An analogy is also known as an allegory. (Corbett & Connors, 1999; Jørgensen, 1996)

[9] A metaphor creates a link between an object and an image on the basis of some similarity between the two. The link is not made explicit. Thus metaphors differ from similes, which involve an explicit link such as *like, as* or *as if*. (Bonet, 1994; Corbett & Connors, 1999; Jørgensen, 1996)

another by virtue of some similarity between the two (Bonet, 1994), thereby creating an association of ideas. Such an association often arouses feelings in us which greatly influence our value judgements. So in order to make sound judgements, it is important to be aware that the comparisons made by means of analogies or metaphors have their limitations. First, analogies and metaphors are partial in the sense that they emphasise only certain aspects of the object which they describe. Second, qualities which count for little in one universe may be extremely important in the other. Third, because of the often multiple ambiguity of analogies and metaphors, these may create the idea of similarities without there being any of the kind implied. Therefore, in scholarly texts, analogies or metaphors should only be used if the similarities are reasonable (Aristotle, 1996; Cicero, 1998). In such cases, analogies and metaphors may be useful in scholarly texts as they may contribute to new scientific insights (Arbib & Hesse, 1986; Hesse, 1980). Thus metaphors are not only decorative devices but may have cognitive implications, the nature of which would be a proper subject for academic discussion, which implies that metaphors may reconfigure both a scientific theory and the "observation language", thus allowing us to describe and explain a wider range of phenomenona (Arbib & Hesse, 1986, p. 157; Hesse 1980). Scientific metaphors only become explanatory, however when they are extended and developed by logic and analogy; they are not explanatory when, as in literature, they are extended by association instead of logic. Furthermore, scientific metaphors have to be internally tightly knit by logical and causal interrelations and should, in addition, be underdetermined by the *data* of the phenomenon under consideration (Arbib & Hesse, 1986; Hesse, 1980). These criteria are generally considered to be fundamental to the evaluation of metaphors in scholarly argumentation, but, in academic texts outside of science, interrelations other than causal and logical ones may be considered valid and the perception of what the *data* of a phenomenon is may be extended.

Scholarly texts build on the results of other researchers, thus using arguments which appeal to authority, i.e. which have ethos appeal (Latour,

1987; McCloskey, 1998). So what seems to gain acceptance as a true or false theory in a field of research depends on the institutional network and resources of the researchers: "*The "average man who happens to hit the truth," . . ., will have no chance to win over the thousands of articles, referees, supporters and granting bodies who oppose his claim*" (Latour, 1987, p. 44). This is the case because researchers, their methods and resources, and the institutional networks around them are an organised whole, in which all forces are gathered to keep each other in check so that nobody can escape.[10] The gathering of forces may sometimes create unsound logos behind the amount of references, resources and networks, so the *ethos appeal* of scholarly work should not always be trusted (Latour, 1987; McCloskey, 1998). Among the forces gathered, something may become common knowledge and be perceived as "objective" when it should actually be doubted. Some data may even have vanished or have become twisted. Further, what may come to be seen as good logic may be a simple practical schema containing an artificially narrow range of arguments—it is not necessarily a question of the subject matter. The argumentation may build on scientific methods drawing on, e.g. the authority of some claimed *General Truth*, and thereby in fact exaggerating and overrating the objectivity of the methods. In sum, scientific knowledge and methods can be as much the object of evil misuse as the language of sophistry. However, this cannot lead to the conclusion that logos is unimportant in scholarly texts. On the contrary, arguments are important. This is why researchers strive to make their claims more credible than those of others; and this task, which is often enormous, would make no difference if arguments were not

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[10] Thus a "good" scientific text controls its readers by employing methods which are hard to discuss, using figures which can only with difficulty be subjected to any doubt and drawing on references whose authority is hard to dispute. Researchers who want to develop new ways and theories have to mobilise more resources, link more points to references and data, and be more accurate about the links than the older institutional network, i.e. the institutional network which a researcher draws on should preferably be older than that of his/her opponents. Anyone who does not operate within the framework of an institutional network will be all on their own or sent to an asylum (Latour, 1987).

important (Latour, 1987). They are because, given our language game, we expect researchers to provide arguments and documentation.

In what follows, this paper investigates whether the book entitled *The Balanced Scorecard* has the features characteristic of sound argumentation, i.e. whether it uses an appropriate combination of ethos, logos and pathos when appealing to its readers; if it does not, it will be further examined which features characterise the text, which will then allow us to draw conclusions as to the genre of the text and, in turn, to tell how the BSC is promoted.

The communicative situation

Harvard Business School Press (HBSP) is the primary publisher of the book. According to the publisher's own statement, HBSP represents the best of contemporary thinking in business and management. The goal of HBSP is to influence the way readers think and act and to be the source of the most influential ideas and conversations that shape business worldwide [http://www.hbsp.harvard.du/products/index.html (29 April 1999)]. *The Balanced Scorecard* is aimed at practitioners, students and teachers in higher education involved in the field of management. One author, David P. Norton, is the president of a consultancy firm, while the other, Robert S. Kaplan, is a professor at the Harvard Business School. In developing the balanced scorecard, the authors use a method referred to in the *Journal of Management Accounting Research* (Kaplan, 1998) as *innovation action research*. The procedure is to (1) document a major limitation in contemporary practice, (2) identify a new concept to overcome this limitation, and (3) continue to apply and improve the concept through publication, teaching and active intervention in companies (Kaplan, 1998, p. 89). Thus, in the first two steps, the authors identify a model that can overcome a limitation in contemporary practice (Kaplan, 1998) and at the end of the second step of the procedure, "the initial theory or concept has become codified, generalized and shown to be applicable to a much larger audience than the originating set of companies" (Kaplan,

1998, p. 101). Furthermore, Kaplan's explicit aim in writing articles and books about the BSC is to create excitement at, enthusiasm for and debate on the new ideas among a wide management audience (Kaplan, 1998). The research procedure is in line with the mission of the Harvard Business School, which is to (re)shape the practice of business by building knowledge, educating for leadership and communicating innovative and substantive ideas in the most effective ways. The engine driving this mission is the research and course development program of the Harvard Business School [http://www.hbs.edu/dor (29 April 1999)].

From the above it is not unreasonable to conclude that the communicative situation around the balanced scorecard is related to academia. Robert Kaplan is a professor at a research institution and the research method used for the development of the Balanced Scorecard is described in the *Journal of Management Accounting Research*—a high-ranking scientific journal in the field of management accounting [http://hal.boku.ac.at/fao/journal_ranking (10 April 2002)]. These relations to academia are dimensions which might lead to the assumption that the text will include sound scholarly argumentation.[11] The readership, however, includes not only academics but also practitioners and consultants. If the authors want to make scholarly work comprehensible to such a wide audience they still have to employ logos; but in a less direct and unequivocal way than in scholarly work. They clearly want to create both excitement about and debate on the new ideas among the audience, which means that they have to appeal to the emotions of the audience. They also want, however, to improve contemporary practice through a method that has been generalized and shown to be applicable. To accomplish this goal, the management tool has to be described with logos and not only with excitement-creating pathos as any lack of method will cause uncontrolled change and, under such circumstances, any improvement of practice will occur only by

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[11] A scientific approach is significant for the purpose of making a distinction between scientific knowledge creation and communication and other forms of knowledge creation (Arbnor & Bjerke, 1996, p. 22–24).

chance. Thus improvement requires a method describing what should be done and how it should be done.

From this rather normative perspective, the communicative situation requires the text to appeal much to logos and to some extent to pathos. As will be seen below, however, other forces may be involved in the institutional network around the communicative situation which motivate the application of some other combination of logos and pathos. Finally, as one of the authors is an internationally recognised professor at one of the best business schools in the United States, it follows that much *ethos* is attached to the overall communicative situation, which creates a great deal of confidence in the sender's *logos*. The authors do not have to make much of an effort to win the reader's trust. They already have it.

Composition

Chapter 1 of *The Balanced Scorecard* is generally argumentative in that it advocates certain views. It is intended to convince the reader of the truth of a set of claims. Its overall composition almost conforms to the dramatic form. In the dramatic form, the story gradually unfolds until it reaches a climax, after which it fades out. As in the case of striptease, the idea is to increase expectations and keep the suspense until the end (Tonnesen, 1995).

The introduction to Chapter 1 ("Measurement and Management in the Information Age", pp. 1–2), for example, begins in the middle of an event, *in medias res*, drawing an analogy between a company and a jet plane and between managers and pilots. The authors then advocate the need for a new performance measurement and management system. These opening lines draw the attention of the reader and illustrate the main theme of the story. The first section ("Competing in the information age", pp. 2–4) *presents* the events which lead to the issue to be discussed: because competing in the information age is different from and more than competing in the industrial age, a revolutionary change has taken place. A subsection then *elaborates* on the situation ("New operating environment",

pp. 4–6), dealing with the information age and its influence on the operating environment. In the information age, management control faces a whole series of new demands; attempts have been made to solve the new tasks, but the project has stranded: companies have introduced new techniques but with disappointing results. During the elaboration, the reader is led to a situation which he or she cannot escape. It is a *point of no return* (p. 6), where the road ahead depends on companies changing the measurement and management control systems that they use. Navigating in the information age is impossible if the only tool is the traditional accounting model. In the second section ("Traditional financial accounting model", pp. 6–7), the *conflict escalates*, any attempt to develop the traditional accounting model proving to be an impossibility. At the beginning of the third section ("The Balanced Scorecard", p. 7), we find the *climax*, a *denouement* suddenly suggesting itself: "The collision between the irresistible force to build long-range competitive capabilities and the immovable object of the historical-cost financial accounting model has created a new synthesis: the Balanced Scorecard" (p. 7). The collision is between the inevitable development described in the first section and the accounting model described in the second. After the climax follows the fading out (pp. 7–18), which describes the qualities of the BSC as a performance measurement and management control system.

The dramatic form comes as a surprise in a text which is supposed to be argumentative or scholarly. The composition of academic writing is usually based on logic. The typical organisation involves an introduction, a problem statement, reflections on the method(s) applied, analyses going from the general to the specific and a conclusion. The method works from the abstract level to the concrete level. This deductive schema is not particularly pedagogical, so the form of popularised communication may be an alternative: the inductive schema works from the concrete level to the abstract level and takes as its point of departure the results reached and their consequences, after which it deals with assumptions, theories and methods. So both the deductive schema and the popularised form of communication are organised

on the basis of argumentation. It should be clear then that the reader of a text type which is typically based on sound argumentation will expect the argumentative form and not a form which ties the problem concerned to its solution by means of some drama of fate.

We may now conclude that the composition of the text does not satisfy the requirements of sound argumentation. It does not convey a rational impression; instead it draws attention and creates a drama. It appeals primarily to the emotions of the audience (*pathos*) and less to their reason (*logos*).

Stylistic devices

Tropes and lexis

The stylistic device which is particularly characteristic of the text is that of tropes, which include figurative language in the form of, e.g. analogies,[8] metaphors,[9] similes,[9] metonymy,[12] hyperbole[13] and irony[14] (Corbett & Connors, 1999; Jørgensen, 1996). As will be seen later, however, the lexis is generally remarkable with its use of, e.g. antithesis,[15] loaded adjectives and imprecise and intertextually based concepts.

Analogies

The opening lines make use of an *analogy* comparing the navigation of a plane to the management of a company. This is evident from the following quotations:

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[12] In metonymy, the literal term for something is replaced by an image because of contiguity between the two (Bonet, 1994; Jørgensen, 1996). So it involves substitution of some attributive or suggestive word for what is actually meant (Corbett & Connors, 1999, p. 398): it transfers the name of something to something else by virtue of the one being a cause or effect, container or content, genus or species of the other—an almost physical link or contiguity may exist between the two objects.

[13] Hyperbole is the use of exaggerated terms for the purpose of emphasis or heightened an effect (Corbett & Connors, 1999).

[14] Irony is the use of a word to convey a meaning opposite to the literal meaning of the word (Corbett & Connors, 1999).

[15] Antithesis is an opposition in the meanings of ideas, concepts or words which are brought into contrast (Corbett & Connors, 1999; Jørgensen, 1996)

Yet navigating today's organizations through complex competitive environments is at least as complicated as flying a jet (p. 2);

Managers, like pilots, need instrumentation about many aspects of their environment and performance to monitor the journey toward excellent future outcomes (p. 2).

The description elaborating on the image of the company as a jet plane and the manager as a pilot employs aviation metaphors: *cockpit, jet airplane, pilot, airspeed, altitude* and *altimeter, fuel and fuel gauge, mountains, airspace* and *navigate*, which are each associated with some phenomenon in a company. Below, we analyse the type of association of qualities which these metaphors may create, in order to evaluate to what extent they appeal to logos or pathos.

The *jet airplane* is the modern and faster version of the company-as-a-machine metaphor. Interpreted on the basis of Kaplan and Norton's own conceptualisation, the jet airplane belongs in the information age, while the machine belongs in the industrial age. Comparing the navigation of a jet plane to the navigation of an organisation with people operating in complex competitive environments is problematic, however. The comparison triggers a sort of anti-personification and reification of the organisation and the people in it. People become a component in an airplane which reacts when the pilot pushes the control stick. Furthermore, the image of organisations as machines leaves the impression of entities characterised by operating bureaucratically, routinely, predictably and in specialised ways (Morgan, 1986), which are not the attributes which one would associate with organisations with complex competitive environments (Hopwood, 1974). By contrast, a sort of personification enrichment takes place when the manager is compared to a pilot. A pilot is in control, which the term 'pilot' itself indicates—it means 'oar'. Further, the pilot metaphor may appeal to juvenile dreams and lend the manager with the aura of a globetrotter, which the reader may be pleased to identify with. The pilot metaphor, then, enhances the recipient's perception of his own *ethos*. It is problematic, however, that a pilot does not practise management

but uses mechanical control. The pilot metaphor thus creates a highly simplified image of management. Taken as a whole, the aviation metaphors appeal primarily to the readers' emotions (*pathos*) and less to their rational commitment (*logos*).

The end of the chapter uses navigation analogies. One analogy concerns the *captain* (the CEO, p. 16) of the *isolated ship* (the business unit) which heads towards its destination in a stable environment. *The sailors* ''(the managers and front-line employees) carry out the orders and implement the plan determined by the captain.'' According to the authors, this is what managing the companies of today is not about. They state that this set of metaphors constitutes the theory behind any top-down command-and-control model and that the first three out of a total of four BSC processes comply with the top-down model. The choice of analogy seems to be illustrative of top-down management, which lends it with both intellectual and emotional appeal. However, it is open to debate whether a jet-airplane and a ship are actually so very different in their control environment and control methods as they both involve aspects of the machine metaphor. The major difference seems to be that the ship is a ''transportation machine'' associated with the industrial age and the jet-airplane a ''transportation machine'' associated with the information age. Another analogy is that of the *competitive race* under changing *weather and sea conditions* (p. 16): the *captain* is highly sensitive and reacts tactically and strategically to any changes. The captain monitors the environment and receives information from a myriad of sources including personal observation, instrumentation and advice from the tacticians on the boat. The authors use the competitive race metaphor to argue that the strategy of today's organisations cannot be linear and stable. That is why the top-down command-and-control model of the first three stages is insufficient. There is a need for feedback and double-loop learning during the fourth and last stage of the BSC.[16] The

competitive race metaphor creates the image of a dynamic management control model with simultaneous interaction, frequent and rapid information exchange and constant correction of the course. However, the BSC management control model does not resemble the steering required during a competitive race but rather a top-down command-and-control model. It is not immediately obvious how adding double-loop learning to the feedback process will make an otherwise static top-down command-and-control model dynamic. Instead, a measurement-based top-down command-and-control management control system may focus on external commitment and create defensive routines in the organisation, which inhibit double-loop learning (Argyris & Schön, 1978; Simons, 1995, p. 106). An explanation is therefore needed, and the explanation has to delve more deeply than a competitive race metaphor. As can be seen from the Appendix, the rest of *The Balanced Scorecard* does not offer a satisfactory answer to this issue.[17] Therefore, the competitive race analogy appeals primarily to the readers' emotions and little to their rational commitment.

Metaphors and concepts from natural science

The text makes use of metaphors and concepts which are typically well established in the area of natural science: *drivers* (p. 2), *physical* (p. 1), *battery of instrumentation* (p. 2), *force* (p. 7), *collision* (p. 7), *synthesis* (p. 7) *cause and effect* (p. 15), *hypothesis test* (p. 17) and *valid and disconfirming evidence* (p. 17). In the realm of natural science, the meaning of these words is fairly unequivocal, which is often not the case when they are used in other fields. *Force*, for example, is a clearly defined concept in physics but is much more vague when it is used in other fields. Similarly, *synthesis* is a fairly well-defined concept in chemistry, where it refers to the production of a chemical compound from a number of elements, while, in other contexts, it may mean the combining of units into wholes. Furthermore, *hypothesis tests* of causal

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[16] Double-loop learning involves the top management initiating a dialogue to examine market conditions, the value propositions delivered to customers, competitor behaviour and internal capability if the efforts launched do not promote company performance.

[17] The part describing double-loop learning is quite technical and based on information technology without much personal involvement (p. 267–269).

relationships are quite well established within natural science while the appropriateness of their use in social science is more debatable. Any reader who is not attentive to the differences runs the risk of attaching qualities to the concepts which they only possess in the realm of natural science. Using metaphors from physics and aviation, the authors imply that the issue under consideration belongs in a fairly unequivocal scientific universe. Scientific usage occurs in several of the postulates—cf. Table 1. The language of the postulates evokes associations with scientific processes, during which whatever happens occurs of necessity. The climax postulate, for example, arouses associations with a car (the force which builds knowledge and capabilities) and a brick wall (the immovable accounting model) which collide, creating a new synthesis: the Balanced Scorecard.

The problem involved in the authors' use of these scientific concepts is that they are not expressions which cover the reality in which companies operate. As shown in the Appendix on the BSC technique, the causal relationships which Kaplan and Norton point to do not exist. Furthermore, employees do not necessarily react when managers push the control stick and, if they react, this may be dysfunctionally; similarly, solutions do not emerge if we merely force two items to collide. The metaphors and concepts were created and intended for a language game universe different from that of the company. Metaphors may appeal to intellect (*logos*), but in the case under consideration the metaphors employed appeal very much to emotions, while creating the illusion that companies operate in a universe which is subject to scientific laws. The concepts borrowed from the natural sciences seem particularly convincing to the reader whose ideal of academia and scholarship is influenced by science.

In some places, the authors use concepts from the realm of science with concepts from other branches of knowledge, which results in mutually contradictory concepts. This is true, for example, of the following claim: "*The emphasis on cause and effect in constructing a scorecard introduces dynamic systems thinking*" (p. 15). The contradiction exists because a cause-and-effect relationship is a deterministic phenomenon presupposing stable structures within a system, which is not particularly dynamic. Therefore, it is not immediately obvious what kind of relationship holds between the two concepts. The authors may have goals and means in mind instead of cause and effect, but they owe their audience an explanation that renders the text comprehensible. In other places where the BSC technique is described, the authors claim that both a cause-and-effect relationship and a logical relationship hold between, e.g. satisfied customers and profitability (pp. 71–72), which, again, leads to confusion because both relationships cannot hold simultaneously. Thus, the *logos* is unclear and open to interpretation.

Table 1
Postulates with concepts known from areas within natural science

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Postulate (i) the climax:
"The collision between the irresistible force to build long-range competitive capabilities and the immovable object of the historical-cost financial accounting model has created a new synthesis: the Balanced Scorecard" (p. 7).

Postulate ii:
"The Balanced Scorecard complements financial measures of past performance with measures of the drivers of future performance" (p. 8).

Postulate iii:
"Through a series of cause-and-effect relationships embodied in the Balanced Scorecard, these capabilities eventually become translated into superior financial performance" (p. 14).

Postulate iv:
"The emphasis on cause and effect in constructing a scorecard introduces dynamic systems thinking" (p. 15).

Table 2
Examples of some of the antithetical lexis used to characterise the industrial age and the information age

The industrial age	The information age
Physical tangible assets (p. 2), financial and physical capital, financial assets and liabilities (p. 3)	Intangible assets, invisible assets (p. 3)
Efficient, mass production of standard products (p.2), low-cost but standardised products and services (p. 4)	Service organizations, innovative products and services, high quality at low cost (p. 3), individualised solutions, customized products and services (p. 4)
Comfortable, noncompetitive environments (p. 3)	Innovative competitors (p. 3)
Functional specialisation, hand-offs between departments, arm's-length-transactions (p. 4)	Integrated business process (p. 4)
Domestic borders (p. 4)	Global Scale (p. 4) Global operations (p. 5)
Competitive advantage in one generation of a product's life (p. 5)	Masters at anticipating customers' future needs, devising radical new product and service offerings, and rapidly deploying new product technologies into efficient operating and service delivery processes (p. 5)
The intellectual elite—managers and engineers—used their analytical skills (p. 5)	Now all employees must contribute value by what they know and by the information they can provide (p. 6)
Direct labour work force was a principal factor of production (p. 5)	The machines are designed to run automatically (p. 5)

Antithetical lexis

Two metaphors, *information age* (p. 2) and *industrial age* (p. 2), play a key role in the text. They are metaphors because the use of the concepts of information and industry in combination with the concept of age transfers qualities associated with the former concepts to another semantic area, viz. that of time. The two metaphors structure the argumentation and the description in the section entitled ''Competing in the information age'' (pp. 2–6). The authors argue that, because the information age is replacing the industrial age, the situation is revolutionary. The concept *revolution* signals a dramatic change to society, old regimes being discarded in favour of new ones. The revolutionary aspect of the information age is also conveyed through the expression *seeds of destruction* (p. 3) and through the repeated use of the adjectives *innovative* and *new*. Further, the image of something revolutionary is strengthened through the use of antithetical lexis to characterise the industrial age and the information age. Table 2 lists some of this lexis. The extensive use of loaded antithetical adjectives is typical of the lexis; these adjectives include such items as *tangible* versus *intangible*, *standardised*

versus *individualised* and *customized*, *comfortable* and *noncompetitive* versus *innovative*, *functional* versus *integrated,* and *domestic* versus *global*. In addition, the text employs metaphors such as *hand-offs*, *arm's length*, *a product's life*, *generation*, and metonymies such as *masters*, *domestic*, *global* and *radical*. Critics of the use of metonymies argue that such figures of speech reveal two different kinds of association of ideas and psychological capacities (Bonet, 1994) and that their use therefore creates ambiguity.

The image created by the antithetical elements is one of the industrial age and the information age as opposites. This is hyperbole, however. Even in the industrial age, both tangible and intangible assets were important, which is also the case in the information age although the relative importance of intangible assets has probably increased. Through their use of antithetical concepts, Kaplan and Norton (1996a) lead the reader to conceptualise a larger contrast between certain phenomena than there actually is.[18] Presumably, the authors'

[18] In addition, a gradual change of conceptual meaning occurs when the authors speak of production companies in connection with the industrial age and of service companies in connection with the information age. This is an indication of unsound argumentation.

intention is to show that the information age ranks hierarchically higher than the industrial age. The description indicates hierarchical dualism (Boje, Rosile, Dennehy, & Summers, 1997, pp. 642–645; Derrida 1981, pp. 56–57), organising the new concepts above other concepts in the hierarchy, thus indicating that the information age is more than and different from the industrial age. This exaggeration leads the audience to overestimate the absoluteness of the accounting model and the necessity of implementing the BSC.

Irony

Talking about the accounting model, the authors use negatively loaded adjectives such as *immovable* (p. 7) and *traditional* (p. 6). Besides, they are using irony when they switch to a more formal stylistic level with words and phrases such as *venerable* (p. 7) and *today's and tomorrow's* (p. 7). The lexis allows the authors to slate, and to distance themselves from, the accounting model. Again, this is a hyperbole, the obsoleteness of the accounts being vastly exaggerated. This is implicitly confirmed by the authors: the accounts form part of the Balanced Scorecard.[19]

Abstract and imprecise concepts

In general, many of the concepts found in the text, such as *internal capital* (p. 3), *response process* (p. 4), *integrated business process* (p. 4), *intangible and intellectual assets* (p. 7), *comfortable non-competitive environment* (p. 3), are more abstract than the phenomena to which they refer. This appeal to a higher level of abstraction moves the phenomena far away from the world of the practitioner. In addition, some of the concepts are imprecise as their theoretical meaning is vague and not well defined, which contributes to the lack of clarity. The imprecision is further increased through the linking of verbs, adjectives or nouns in pairs or series. Many of the concepts found in the Balanced Scorecard render the text imprecise and confusing, and the use of these concepts

makes it difficult to discuss the contents of the model. However, imprecise concepts are very useful for the purpose of gradually changing the meaning of concepts and for unsound argumentation (Aristotle, 1996).

Intertextuality

Finally, the text is characterised by a large number of technical metaphors and concepts such as *mission and strategy*, *competence*, *competition*, *efficient*, *intangible assets*, *tangible assets*, *physical assets*, *customized products*, *functional*, *industrial*, *administrative*, *variable*, *global*, *integrated*, *innovative*, *product life cycles*, etc. Examples of more modern expressions than these are *functional silos* (p. 17), *blind spots* (p. 12), *cross-functions* (p. 4), *value chain* (p. 4), *value for shareholders* (p. 3), *single-loop* and *double-loop learning* (p. 17). So the degree of intertextuality with management literature is high, particularly with Harvard management literature. Some of the intertextuality is with, for example, Hammer and Champy (1993), who write about functional silos and see specialisation as the antithesis of integrated business processes. Again, these are concepts which consist of rather imprecise metaphors and metonymies and which may include loaded adjectives. The readers' appreciation of the text will depend on their knowledge of the intertextuality involved, which may, however, also rely on definitions based on imprecise and loaded concepts. In sum, the reader of the text is faced with a long, mainly implicit chain of institutional networks appealing to authority, and some of the logos involved seems to be theoretically fairly weak.

Summary of tropes and lexis

The earlier analysis shows that the text makes extensive use of analogies, metaphors and metonymy. This creates variation, draws attention and appeals to both emotions (*pathos*) and reason (*logos*). It violates the rules of sound argumentation, however, in that a number of the analogies and metaphors employed are not very good images of the phenomena to which they refer. They are not like the referents. This leads to lack of clarity and creates the illusion that something which is not the case is actually the case. Therefore, the

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[19] If they intended to discuss the institutional power of the accounting model, the authors should have mentioned both its strengths and shortcomings in unbiased terms in order to produce sound argumentation.

Table 3
An example of a paratactic and asyndetic text

''The Balanced Scorecard (BSC) provides managers with the instrumentation they need to navigate to future competitive success. Today, organizations are competing in complex environments so that an accurate understanding of their goals and the methods for attaining those goals is vital. The Balanced Scorecard translates an organization's mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system. The Balanced Scorecard retains an emphasis on achieving financial objectives, but also includes the performance drivers of these financial objectives. The scorecard measures organizational performance across four balanced perspectives: financial, customers, internal business processes, and learning and growth. The BSC enables companies to track financial results while simultaneously monitoring progress in building the capabilities and acquiring the intangible assets they need for future growth'' (p. 2).

intellectual appeal (*logos*) is false. The ambiguity is reinforced by the many concepts created on the basis of abstract, vaguely defined concepts and loaded adjectives, which in some instances are used to form untenable antitheses. The style is neutral, i.e. neither formal nor informal, but the choice of loaded metaphors, metonymy and loaded adjectives makes it emotional. In addition, the use of metaphors and concepts which are associated with the natural sciences builds on the credibility of the natural sciences and thus boosts the ethos appeal of the text.

Coherence and syntax

The text contains several so-called *paratactic* and *asyndetic* elements. In a *paratactic* text, the relation between sentences is one of coordination, which differs from *hypotactic* texts, in which the relation is one of subordination. In an *asyndetic* text the relation among the sentences has been omitted or is not explicit. This differs from *polysyndetic* texts, in which coordinating and subordinating conjunctions and adverbials abound (Jørgensen, 1996, p. 61).

Paratactic and asyndetic features are evident in the text reproduced in Table 3. Whether these sentences are coordinated or subordinated is unclear. Should some of the sentences be interpreted as arguments for other sentences, or should they not? The reason for the lack of clarity is that these sentences have not been linked to each other by means of coordinating or subordinating conjunctions or adverbials. Five of the sentences begin with a mention of the Balanced Scorecard—sometimes in an abbreviated form—which may imply coordination. In several places in the text,

the lack or confused use of conjunctions or adverbials is evident. The confusion is aggravated by the bandying about of imprecise, slightly varied, concepts such as *a product's life* (p. 5) and *product life cycles* (p. 5), or *financial* (p. 3), *physical capital* (p. 3) and *internal capital* (3). Because the relations between the concepts are not very clear the relations between the sentences also become ambiguous.

Paratactic and asyndetic features characterise the speech of young children and therefore it will come as a surprise in an argumentative or technical text, which ought to include both hypotactic and polysyndetic elements (Jørgensen, 1996). One effect of the paratactic features is that the various parts of the text resemble labels, which, through accumulation, give the appearance of an *impressionistic text*. The reader is flooded with information, which makes it difficult to extract meaningfulness and find repose in the text. The asyndetic features leave the impression of an incoherent text, which forces the readers to find the logical relations by themselves. The relations are ones that the audience will attempt to create, precisely because of the extensive *ethos* involved in the communicative situation. In brief, the intellectual appeal is highly subjective and emotional, which means that the authors rely on *pathos* rather than *logos*.

Argumentation analysis

Argumentation model

Argumentation always involves at least three elements: a claim, data and a warrant (Toulmin,
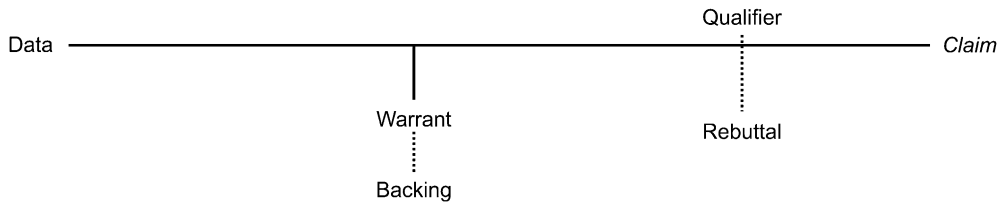
Fig. 2. Argumentation model.

1974). The *claim* is the point of view which the sender wishes the recipient to accept (Paul is ill). The *data* forms the basis which supports the claim (Paul is pallid). The *warrant* combines the claim and the data and is often implicit (When Paul is pallid, he is ill). It is not the variable from which we conclude but by which we conclude.[20] Based on the form of the warrant, argumentation may be subdivided into a number of types, e.g. argumentation based on analogy, authority, analytical reasoning, cause and effect, or antecedent and consequences. Some warrants appeal to the recipients' reason and others to their emotions and some to both. Given the data and the warrant, we can say whether an argument is sound.

Due to the style and composition of the BSC, however, its argumentation is opaque. The composition does not reveal any logically ordered overall line of argumentation, and the style contains few signs of explicit and unambiguous arguments. Given that the BSC is an argumentative text, the overt signs of argumentation, such as *consequently, then, it follows, as, because* (p. 12), *therefore, since* (pp. 12, 17), etc. are relatively few. Similarly, the text employs no argumentative concepts to link propositions; instead we find: "*these capabilities eventually become translated*" (p. 14); "*it became clear*" (p. 10); "*executives can now measure*" (p. 8); and "*Clearly, the past*" (p. 3). For these reasons, it is not possible to produce a coherent and unequivocal analysis of the argumentation

but only a fragmented and interpretative one. The analysis which follows shows some of the typical arguments found in the text.

Types of argumentation

Analogy

As became clear in connection with the stylistic analysis, the text makes use of jet airplane, ship and sailboat race analogies. These give rise to *arguments from analogy*, e.g. *the jet airplane argument* (pp. 1–2) may be formulated as follows:

> *Claim:* Managers, like pilots, need instruments showing many aspects of their environment and performance.
> *Data:* A pilot guiding a jet airplane needs a lot of instruments.
> *Warrant:* Navigating today's organisations is (at least) as complicated as flying a jet airplane.

The arguments draw on warrants based on analogies assuming that the similarities between the items under comparison are numerous. One problem with one of the analogies used is that the phenomena which the authors compare are not particularly alike. From the analysis of the stylistic devices, above, it should be clear that a pilot is not like a manager and a company is not like an airplane. It is true, however, that managing a company is different from steering an isolated ship, through a stable environment, to a destination, and more like sailing in a competitive race, under changing weather and sea conditions. The objection may be raised of course that it is a fairly banal claim that the environment of a company is not stable. However, the competitive race metaphor creates a more serious problem in that it may lead to the illusion that managing with the BSC is

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[20] Three other elements may also be involved in argumentation: a qualifier, a rebuttal and backing (see Fig. 2). The *qualifier* indicates to what extent the sender is willing to vouch for the correctness of the claim (Paul *may* be ill). The *rebuttal* specifies any reservations or uncertain factors which invalidate the warrant (Paul has used makeup). The *backing* corroborates the extent to which the warrant is acceptable (Investigations show that, if people are pallid, they are ill).

Table 4
Analytic arguments (pp. 2–3)

Principal claim: Companies are in the midst of a revolutionary transformation

Data 1.1: During the industrial age success accrued to companies that could embed the new technology into physical assets that offered efficient, mass production of standard products.

Data 1.2: The information age implies that companies no longer can gain sustainable competitive advantage by merely deploying new technology into physical assets rapidly.

Data 1.3: The information age demands the ability of a company to mobilize and exploit its invisible assets.

Warrant 1 (implicit): The change is revolutionary if competition depends on intangible assets and not merely on embedding technology into tangible assets.

Data 2.1: Financial measures could direct companies during the industrial age.

Data 2.2: The information age implies that companies no longer can gain sustainable competitive advantage by excellent management of financial assets and liabilities.

Warrant 2 (implicit): A revolutionary change has taken place if traditional key accounting figures are no longer sufficient and if companies can no longer compete successfully merely by excellent management of financial assets and liabilities.

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comparable with steering in a competitive race and not—unlike what is actually the case—to managing in a top-down command-and-control model. Arguments from analogy appeal to the recipient's intellect (*logos*). They are a sign that the sender deals with objective and rational evidence. The evidence is invalidated, however, if the comparison is untenable. In such a situation, the recipient is persuaded by the *pathos* of the metaphor.

Analytical arguments

The arguments intended to show that the information age has led to a revolutionary change are outlined in Table 4. The warrants are based on linguistic definitions and are therefore analytic arguments. The definition of the word *revolution* differs from common usage, however. The extension of the concept of *revolution* is usually defined by the French, Russian and Iranian revolutions. No revolutionary change is involved if competition depends on intangible assets and not just on the embedding of technology into real assets. Likewise, no revolutionary change is involved if the traditional key accounting figures are no longer sufficient information for companies. As was mentioned above under stylistic devices, the data consist of exaggerated antithetical postulates. Once again, the authors appeal to the reader's

logos, creating the illusion that this is sound argumentation.

Arguments appealing to authority

The section entitled "New operating environment" (pp. 4–7) describes the organisations of the information age as new compared to those of the industrial age. The support for this statement is decisive for the credibility of the description: nine out of ten references in that section are related to the Harvard Business School. The works have either been published in the *Harvard Business Review*, by the Harvard Business School Press, or their authors are on the staff of the Harvard Business School. So the argumentation is:

> *Harvard says P*
> *P is true*

This is an *argument* appealing to *authority*; specifically, it is an argument appealing to the authority of Harvard. The text also includes arguments which appeal exclusively to the authority of the authors, i.e. arguments appealing to own authority. This is evident through the use of first person personal pronouns as in *our experience* (pp. 12, 18) and *we consider* (p. 15).

Furthermore the text contains a large number of postulates, which Tables 1 and 3 illustrate. The

Table 5
Argument analysis of pp. 11–12

Claim 1: We have never encountered a management team that had reached full consensus on the relative importance of its strategic objectives.
Data 1/Claim 1.1: In our experience.
Warrant 1 (implicit): If this is our experience, it is true.
Data 1.1: Executives tend to build careers within a single function and certain functions tend to dominate the priorities.
Warrant 1.1 (implicit): When executives build their careers within a single function and certain functions dominate the priorities, it leads to disagreement.

Claim 2: When executives from different functional perspectives attempt to work together, it is difficult to form teams and create consensus.
Data 2: When executives from different functional perspectives attempt to work together, there are blind spots.
Warrant 2: Blind spots make it difficult to form teams and create consensus.
Backing[20] *2:* With blind spots, little shared understanding exists about overall business objectives and the contribution and integration of different functional teams.

Claim 3: The development of a Balanced Scorecard, while making such lack of consensus and teamwork more visible, also contributes to the solution of the problem.
Data 3/Claim 3.1. The scorecard creates a shared model of the entire business to which everyone has contributed.
Warrant 3 (implicit): A shared model contributes to the solution of disagreement.
Data 3.1: The scorecard is developed by a group of senior executives.
Warrant 3.1 (implicit): If the scorecard is developed as a team project to which everybody contributes, a shared model is created.

Claim 4: The scorecard objectives become the joint accountability of the senior executive team.
Data 4: The scorecard will serve as the organizing framework for a broad array of important team-based management processes.
Warrant 4 (implicit): If the scorecard serves as the organising framework, the objectives become the joint accountability of the senior executives.
Qualifier[20] *4:* It (the BSC) creates consensus and teamwork among senior executives, regardless of previous employment experience or functional expertise.

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authors' intention may have been to make use of analytic claims[21] but, if so, they have not succeeded. The postulates are not self-evident and they require some explanation. Alternatively, the claims may be synthetic[22] but, if so, then the authors ought to show that they are true or that they ought to be common knowledge. As many of the postulates relate to what the BSC can accomplish, however, these cannot be common knowledge. If the text provides no explanation and does not show the claims to be true, the warrant rests on an appeal to the authority of Harvard.

On pages 11–12 we find a suggestion of an argument series. The argumentation has not been carried through, however, and it is not entirely clear. Table 5 is an attempt at providing an outline of the overall argumentation. Several of the argument types employed in this part are causal ones, the warrants being synthetic claims. This holds of the warrants 1.1, 2, 3, 3.1 and 4; but none of them is shown to be true. Like claim 1, they rely on appeal to authority. Possibly, the authors see these claims as analytic ones, but the claims are not self-evident. On the contrary, it is doubtful whether the scorecard will create unity. If it does, perhaps the new owners of Rover should consider introducing it there.

In order to evaluate the validity and nature of the arguments appealing to authority, it is important to determine whether they draw on the expertise of the Harvard Business School or merely on its prestige. That would require a detailed analysis of every such claim, but the analysis presented here shows that there is reason to

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[21] *An analytic claim* is one which is either true or false as a consequence of the definition of the expressions used.

[22] *A synthetic claim* is one whose truth or falsehood cannot be established merely on the basis of the definition of the expressions used. Synthetic claims are also known as empirical claims.

be sceptical about arguments appealing to the authority of Harvard as, e.g. significant claims regarding the BSC technique are not valid. The arguments rely on the reader's conception of the Harvard Business School as an institution whose researchers are highly qualified and gifted. Therefore, the appeal is to ethos; however, it is also emotional (*pathos*) instead of intellectual (*logos*), because it requires the recipients' belief in the sender and their acceptance of the claim without any further explanation—the appeal relies on the recipient's emotionally based acceptance of that authority.

Argumentation ad populum and argumentation ad ignoratio elenchi

In the section entitled "Traditional financial accounting model" (pp. 6–7), the principal claim is not clear. The section begins with a series of emotive claims but, as in other places and partly because of the lack of conjuncts, it is difficult to determine whether their interrelationship is one of coordination or subordination. A claim referring to *an accounting model developed centuries ago* (p. 7) may be interpreted as data in favour of an implicit claim: 'the accounting model is of no use', where the implicit warrant is that if something is old, then it is of no use.

In the same section, the authors argue for the valuation of intangible assets, cf. Table 6, argument 1. The accounts cannot meet this need because they cannot assess the value of intangible assets, cf.

Table 6, argument 2. The warrant is a valid analytic claim, and the argument appeals to reason.

However, the problems inherent in the accounts are ones with which the target group of the book is fully familiar. The accounts have a somewhat dusty image, and numerous people have tried to value intangible assets but in vain. The authors' appeal to the readership's dissatisfaction with the accounts is a case of *argumentation ad populum*. Thus, the argumentation also involves an appeal to *pathos*. In slating the accounts, the authors also lay the scene for the climax at the beginning of the following section. So they obtain support for the view that the accounts have a serious problem and in the next section the BSC emerges as the solution to the problem.

The authors do not openly reject the accounting model and they do not argue in favour of valuing intangible assets. Indeed, the authors would have difficulty doing so. The accounts are part of the BSC and the BSC does not value intangible assets but supplements with non-financial measures. The authors argue for something different from that for which they have laid the scene, a case of *argumentation ad ignoratio elenchi*. They lay the scene for arguing in favour of the BSC, but they argue for the valuation of intangible assets, which are not valued in the BSC.

Just before the accounting section, the "New operating environment" section (pp. 4–7) ends with a point of no return referring to improvement programs whose results have been disappointing.

Table 6
Argumentation relating to the traditional accounting model (pp. 6–7)

Claim 1: This financial accounting model should have been expanded to incorporate the valuation of a company's intangible and intellectual assets.
Data 1/claim 1.1: The valuation of intangible assets and company capabilities would be especially helpful.
Warrant 1 (implicit): The valuation of intangible assets being very important, the accounting model needs to be extended.
Data 1.1: For information age companies, intangible assets are more critical to success than traditional physical and tangible assets.
Warrant 1.1 (implicit): Intangible assets being of great importance, the valuation of these is also of great importance.
Backing[20] *1.1:* When companies depleted their stock of intangible assets and capabilities, the negative effects could be reflected immediately in the income statement

Claim 2: Intangible assets will not be recognised in organisational balance sheets.
Data 2: One cannot place a reliable financial value on these intangible assets.
Warrant 2 (implicit): If reliable values cannot be fixed, their value cannot be measured.
Rebuttal[20] *2:* Yet these are the very assets and capabilities that are critical for success in today's and tomorrow's competitive environment.

They are management programs that used to be popular. This is part of the common management rhetoric: at some point a management guru defects ([Boje et al., 1997, p. 638](#)), giving a reason along the following lines, "Practice tells us that there is a problem, so we need a new theory". This provides the basis for yet another restorying of old theory. The argument is also a case of *argumentation ad populum* as it may appeal to the reader's disappointing experience with the models. However, it is also an argument enhancing the practitioner's perception of his own ethos in that it appeals to the authority from practice as a means of judging management models.

Summary of argumentation analysis

The preceding analyses show that the argumentation of the text does not have the characteristics of sound argumentation, which requires tenable arguments based on solid and unbiased reasoning and documentation. Instead, the argumentation applied is repeatedly untenable and open to interpretation. It is full of postulates and contains few explicit arguments; and the arguments from analogy and the analytic arguments are not tenable either. Furthermore, the argumentation is rendered untenable by appeals to authority, argumentation *ad populum*, argumentation *ad ignoratio elenchi*, analytic claims which are not self-evident, and synthetic claims which are not shown to be true. The argumentation, then, appeals through *logos* on an untenable basis and appeals extensively through *pathos*. The argumentation is blurred by the stylistic devices used and by the authors' *ethos*.

Discussion: which genre does the Balanced Scorecard represent?

Convincing or persuasive?

The authors want to create excitement about and debate on the ideas of the BSC and they want the work of practitioners to improve through a generalised theory which has proved applicable in companies. The communicative situation around the BSC is related to academia, the ethos appeal being high as one of the authors is an internationally well-known professor at one of the best

business schools in the US. A part of the audience is in academia, although the primary target group probably consists of consultants and practitioners; the theory builds on scientific methods published in the *Journal of Management Accounting Research*. In addition, it should be noted that the American Accounting Association holds the balanced scorecard to be scientifically based as the association has given it an award as the best theoretical contribution in 1997. However, such appeals to highly estimated scholarly authorities are no guarantee that the BSC technique is a valid tool for solving the problems addressed or that the book itself is based on entirely sound argumentation.

The Balanced Scorecard makes extensive use of analogies and metaphors. These are useful for conveying new information if the concepts used are known to the recipient. Metaphors are easy to understand and the reader will be pleased at learning fast. They appeal to both emotions (*pathos*) and the intellect (*logos*) and may be good at drawing attention and creating pedagogical conceptualisations. The multiple ambiguity of analogies and metaphors is problematic, however, in a text which is supposed to be considered a sample of sound argumentation. If they are not carefully used, they create a language game which leaves plenty of room for the reader's interpretation of which aspects of a given metaphor the author intends to attribute to the phenomenon under consideration. Furthermore, their use is subject to criticism if the images do not resemble the actual phenomenon. If the aim of the authors is both to create excitement and to describe a generalised theory in a sound way to a wide audience, they ought to offer good and illustrative analogies and metaphors, but on a limited scale. Of course, there may be some tension between describing a generalised theory in a sound way and having to communicate in a popularised way that creates enthusiasm and debate. The balance may be struck with a style that emphasises clarity and applicability by means of precise concepts and narrative features. Clarity and applicability should be achieved by describing experiences with a theoretically cogent model and not, as in *The Balanced Scorecard*, by describing properties with a conceptually unclear model using attractive

adjectives and unrestrained metaphors, which may be good propaganda, but it is neither particularly scholarly nor sound. The analogies and metaphors employed in the BSC along with the loaded adjectives and metonymy are all excellent at persuading but they are not convincing.

The argumentation analysis reinforces the impression of a persuasive style without convincing argumentation. The argumentation is generally untenable and unsound, which is blurred by the choice of stylistic devices. For example, the text compensates for the lack of argumentation by creating the illusion that using the BSC is subject to the same form of determinism that exists in the universe of physics. This is, for example, true of the composition of the text, which draws inspiration from the Greek drama, an early form of determinism, in which fate is inescapable. Events happen out of necessity and are beyond the influence of man.[23] In terms of argumentation technique, the concept of fate as revealed in ancient Greek drama may create the illusion that laws of causality like those known from physics are valid for the points of view advocated by the sender. The composition implies that it is almost inevitable that firms should end up with the BSC. The stylistic analysis shows that the illusion of physical determinism is also created by some of the metaphors and concepts used. The determinist illusion is reinforced by the choice of verbs related to the BSC: the BSC *reveals* (p. 11), the BSC *clarifies* (p. 12), the BSC *creates* (p. 12), the BSC *encourages* (p. 13), and the BSC *provides* (p. 14). In addition, the natural science element emerges in the cause-and-effect relationships which are crucial to the model (pp. 27, 30). Finally, it is worth noting that when Kaplan (1998) explains his research method, he refers to scientists (physicists, engineers, medical doctors). In referring to physical determinism, the authors reinforce the feeling of *ethos* in their audience. So the text appeals both through *pathos* and through *ethos*. Due to the appeal to intellect, the assumption arises that the argumentation is objective and tenable; but, many of the arguments being untenable, this is an illusion. Since the text is not based on tenable argumentation, it is neither academic communication nor is it sound argumentation.

The use of untenable arguments and a large number of ambiguous metaphors and concepts draws attention and creates enthusiasm, but it also blurs the *logos*. Paratactic and asyndetic features render the intended meaning of the text questionable. It is an indirect text, which is open to interpretation, intuition and emotions. As a result, the readers' subjective interpretations of the text determine how they understand it. The effect of this is that, given the broad and imprecise concepts which make it difficult to talk in detail about the model, it is impossible to have a real discussion on the logic of the model. It is indeed remarkable that, in academia, there has been little discussion of the concepts and logic of the BSC technique. Consequently, the readers will receive no set of concepts which stimulates coherent thinking and management, but possibly a set of concepts which provides inspiration for the readers' own theories. Managers will have wide scope for their interpretation of the concepts and theories of the BSC. When readers read their own intentionality into the theory, the result is likely to be their own theories rather than that of Kaplan and Norton. This offers plenty of freedom, and countless sources of error. Thus the validity of the theory builds mainly on the rationality of the model constructed by the reader.

Our conclusion is that the signals around the balanced scorecard are ambiguous.[24] It is related

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[23] This is clear, for example, in the drama of King Oedipus, of whose father, King Laius, it had been prophesied that he would beget a son who would kill his own father and marry his own mother. So when his wife bore him a son, the child was abandoned; but the boy was saved and reared by foster parents, which allowed the prophecy to be fulfilled (Sophocles, 1977).

[24] Given Kaplan's research method (Kaplan, 1998)—*innovation action research*—the results may not be surprising. Kaplan's description of his method does not reveal anything about the transition from case studies to theory. He gives no explicit account of how he develops a metatheory, which may be the explanation for the theoretically unclear result. If several companies are investigated on the basis of an inductive method, then there is a need to form general concepts covering the phenomena observed. Experiences have to receive a linguistic form in a theory with clearly defined and coherent concepts. Researchers should not merely pick up and summarise the concepts they find empirically. Such a procedure results in vague and inconsistent concepts; and if the concepts are not even interrelated in a coherent manner, the outcome will indeed be an impressionistic theory.

to academia, but it violates the requirements of sound argumentation, which academic texts have to satisfy. It has very much transgressed the lines of resistance of sound argumentation as it includes practically no valid arguments or any valid technique. What we found was something closely resembling propaganda.[25] Propaganda is characterised by the recipient's being persuaded of something due to the sender's use of heavily loaded words, metaphors, irony, exaggerations, a climax, incoherence and variation as well as paratactic ordering (Cassirer, 1979). The authors use this form of argumentation successfully in promoting the BSC because their audience has great confidence in the Harvard Business School and therefore in Kaplan. Any text relies on the recipients reading their own intentionality into the text, but argumentation which is as untenable as shown above and which occurs in a text communicating a new management theory will only be accepted by the recipients if the sender's *ethos* is considerable. The text makes extensive use of arguments appealing to authority; hence it allows *power* to take precedence over *reason*.

The genre of the management gurus

The results found in the present paper match those of other investigations of a number of texts produced by so-called management gurus (Alvarez, 1998; Boje et al. 1997; Furusten, 1992, 1998; Huczynski, 1993; Kieser, 1989; Mickelthwait & Wooldridge, 1996). A great deal of management theory has been shown to be characterised by unclear and loaded concepts, analogies and metaphors as well as by contradictions and sheer jargon. This has led Mickelthwait and Wooldridge (1996) to conclude as follows:*"There seems to be something in the water in business schools or at management conferences that destroys people's capacity to speak plainly or write clearly."* (Mickelthwait & Wooldridge, 1996, p. 14). Other features which are typical of a great deal of management literature include banal and optimistic

propositions; postulates; and the authors' non-existent discussion of and critical attitude towards their own theories and the limitations of these. Management authors often refer to their own experience, and arguments appealing to own authority are not uncommon. In fact, their attitude to academic traditions is rather lax (Alvarez, 1998).

Therefore, it is not unreasonable to claim that *The Balanced Scorecard* belongs to the genre of the management guru text: a genre in which sound argumentation is not a prevalent feature, which, by using certain stylistic devices and a composition that appeals to the emotions of the audience, persuades its audience to buy a new management theory, for instance. In the case under consideration, the authors may succeed in persuading—although without convincing—because the audience associates them with prestigious academia, but the text has little to do with scholarly work. The authors draw on the prestige and not the expertise of academia. It should be noted, however, that the prestige of academia is enhanced by the authors' claim that the BSC has been developed in interaction with practical business situations and that it has proved applicable in many companies. Kaplan and Norton (1996a, 1996b), however, offer no convincing documentation that, by using the BSC model, companies may attain the results claimed to follow from the application of the model.[26] In the following section, the reasons why the audience may be seduced by such evidence will be further discussed along with the appropriateness of allowing academia to be related to such a genre.

Putting the results into perspective

Why a genre of management gurus?

Given the above results, it is astonishing that many such management guru concepts have become very popular and that academically more tenable theories remain unnoticed. One

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[25] Propagandist techniques are not new to management accounting, see Walker and Mitchell (1996) who show how "uniform costing" was "sold" by such techniques.

[26] It should also be noted that the book does not document any comprehensive case study of the application of the BSC technique but only fragments of such studies.

explanation may be that some of the management theories and ideas have proved helpful and effective (Mickelthwait & Wooldridge, 1996). So readers are simply open to new models even though distinguishing between what is good and what is bad may be difficult. In addition, such texts are open to interpretation due to their impressionistic style, which allows managers to select the elements which they believe to be sensible. So some may view the BSC as an instrument supplementing financial measures with non-financial ones.[27] This is not new theory, but the BSC may draw attention to it because of its rhetoric.

With regard to drawing attention, using a text open to interpretation is the simplest way of spreading a message because, if a certain number of people are to be reached, then the sender has to leave a margin of negotiation to each of the actors so that each may transform the message as he or she pleases—this is also characteristic of religious texts. The text ignores clashes between different points of view and it does not change the usual ways of behaviour (Latour, 1987). Contrary to intention, it will not change contemporary practices in a specified direction, because changing people's behaviour in a certain direction requires more logos. In addition, a text open to interpretation will not necessarily lead to tolerance as it may also be used for manipulation, e.g. the BSC may be used as a "good" argument for putting more pressure on the employees.

Another explanation may be that companies like researchers need storytelling and restorying (Boje et al., 1997).[28] Storytelling (Boje et al., 1997) is a powerful device by which managers and their consultants may challenge old stories and ways of doing things. Such storytelling may justify ratio-

nalising organisations on the basis of old principles. Thus, BPR (Business Process Reengineering) may contribute to justifying firing employees (Boje et al., 1997), while the BSC may be good at justifying cost reductions and at making employees increase their level of customer service. Likewise, restorying may be a necessary means of creating coherent organisations. A bureaucratic hierarchical system, for example, is probably a necessity if an organisation is to be made to stick together and in order to prevent chaos (Bendix, 1956; Weber, 1978). To gain the cooperativeness of the employees and their agreement to obey, the managers need to promote an organisational ideology (Alvarez, 1998; Selznick, 1957). Due to its style, the BSC may be a strongly persuasive instrument for justifying top-down control. Bureaucratic systems suffer, however, from the problems involved in employees trying to bypass and undermine them. The action which employees say they will perform differs from the action they actually perform (Argyris & Schon, 1978). Employees do not do what managers expect them to do, which is why the rational order is undermined. In order to be able to retain the focus of the organisation and to keep it together, managers have to restory the bureaucratic model. They are forced to tell a new story about the bureaucratic system. The new story draws renewed attention throughout the organisation, which, for the time being, will lead to more efficient actions, as the Hawthorn report (Mayo, 1933) showed. So the need for new theories is constant.

A third explanation is that organisations and their employees need to show themselves and their surroundings that they are in control of the uncertainty involved in their jobs. If people or organisations are in doubt and need to handle their own uncertainty, they justify themselves to the world. They do so by becoming isomorphic relative to their surroundings and adopting the behaviour of others (Meyer & Rowan 1977; Deephouse 1996; Elsback & Sutton 1992; Haveman, 1993). So the motivation for acquiring new instruments of control does not lie exclusively in the wish to introduce rational processes. It also lies in the wish to have the instruments serve as representations and ceremonies leaving the managers with enhanced *ethos* and engendering the approval and

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[27] There are probably many measurement systems including financial as well as non-financial measurements which have been labelled BSC although they do not have the features of the Kaplan and Norton scorecard.

[28] In "Restorying reengineering", Boje et al. (1997) interpret BPR as "storytelling" which "restories" an old story. Underpinning this view, Boje et al. (1997) point out that BPR is founded on old theories such as bureaucracy models, ideas of labour division, and the perception of man as a machine. The BPR storytellers have embellished these classical theories with new rhetoric which contributes to legitimising their use.

acceptance of the social environment towards the organisation. Alvarez (1998) expresses it as follows:*"They (control and hierarchies) may also serve as representations and ceremonies aimed at gaining the 'approval' of the social environment towards the organization, a sort of 'exorcism' intended to ward off the evils of the uncertainty brought by 'turbulent' environments, which are difficult to know, and even more difficult to predict, especially in regard to how they are going to react upon our intervention on them."* (Alvarez, 1998, p. 22)

If old theories break down, the management has to apply new techniques which promise that they can maintain order in the organisation and control job uncertainty. The problem, however, is that managers are not provided with proper theories which facilitate the control of the organisation and decision making. The experience they have is more like the one I have when I visit a beauty parlour: when I arrive, I am optimistic, when I leave, I am disappointed, and two days later, I have an allergic reaction. In brief, the theories which managers receive create a pseudo-*ethos* experience. This is because only models and theories which are effective can provide managers with a stable basis for their sense of *ethos*.

This legitimacy-providing but not efficiency-enhancing effect (Meyer & Rowan, 1977) of the use of management theories is supported by Staw and Epstein (2000), who show that, relative to companies which are not associated with popular management techniques, those which are, are more admired, perceived to be more innovative and rated higher in management quality, but their financial performance is not better. Staw and Epstein (2000) also show that popular management techniques provide the management profession with legitimacy and further their interests as chief executives in companies associated with these techniques in that they received better pay.

If the intention is to restory and to provide justification, then the lack of clarity, the superficiality and undefined content may be an advantage. Such theories are easier to adapt to the needs and convictions found in various organisations and groups. The fact that the concepts are open to interpretation may be a precondition of their successful adaptation to the local culture—*adoption* presupposing *adaptation* (Alvarez, 1998). As mentioned previously, the recipients read their intentionality into the theory and, given the ambiguous concepts, the outcome is more likely to be the recipient's theory than that of Kaplan and Norton. Of course, this also makes it easier to evade the issue of mistakes and to explain away problems. Similarly, ambiguous concepts make it easier to find a reason for restorying again and to provide a new form of justification. Finally, unclear concepts make it easier to pretend that the restorying is justified, for the simple reason that the lack of clarity makes it easier to pay lip service to the theories as they pass by without truly understanding them.[29]

A fourth explanation may be that management is a form of performance art (Mickelthwait & Wooldridge, 1996, pp. 84–98). Performance art is an art form which reduces the distance between the spectator and the performer, both parties experiencing the work simultaneously (Goldberg, 1999; Wit, 1991). The concept is closely related to that of a *happening*. Yoko Ono produced performance art by instructing as follows: "... draw an imaginary map...go walking on an actual street according to that map..." David Bowie, for example, has been instrumental in turning performance art into a question of style, glitter and entertainment. Performance art is exciting and unpredictable because it is the product of simultaneous interpretations taking place in the sphere between the artist and the wishes of the audience. The BSC, then, is a form of performance art, the theory being very open to interpretation and thereby giving the readers an opportunity to construct their own theories simultaneously. The text also offers style and glitter, being full of metaphors, analogies and drama. Thus, the authors appeal to the readers' irrationality and emotions. They engender inspiration and faith and exploit the fact that enthusiasm partly depends on the magical and mystical. Performance art, however, does not suffice to direct a company. Of course it is true that faith can move mountains, but faith

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[29] It is difficult to know if a person actually knows the model as it is difficult to know what the model actually is.

alone moves no mountains. Effective rational methods are needed. If rational methods are not needed, we, as responsible academics at business schools, should rather teach the students performance art and seductive rhetoric.

A fifth explanation may be that the theories of the management gurus may further the interests and legitimise the social existence and roles of not only companies and their managers but also consultants, the academic community, intellectuals, governmental groups and granting bodies (Alvarez, 1998). As will be briefly explained later, their motives may create an institutional network in an organised whole, in which the theories of the management gurus may play an important role in keeping everybody within the network in check (Latour, 1987). Politicians and other funding bodies may want business schools to do research and teach subjects relevant to the business community so that their allocation of resources to such schools appears justified in the eyes of the business community and the public. As the business community needs to act, it probably requires theories of *knowing how* to do what needs to be done and not just theories of *knowing what* needs to be known (Pfeffer & Sutton, 1999). In urging practitioners to act in accordance with the models offered by the management gurus, the gurus imply that they *know how* to act as practitioners (Alvarez, 1998). The business communities' preferences for the models offered by the gurus may be further reinforced by these models being made fashionable by the writings of intellectuals in popularised business media. Given the inherent forces of the network, the academics of business schools may become actors promoting the models of the management gurus to legitimise their own profession and further their own interests. They become the disciples of the management gurus, who apparently link academia and practice. Furthermore, scientific journals may also reinforce the promotion of such theories as the journals tend to look for research on topics of current interest. Thus the academic community contributes to the legitimising and restorying syndrome (Staw & Epstein, 2000). In addition, the long acceptance processes of recognised academic journals may lead to critical perspectives on such models not

being presented to the public until the widespread interest in the models has faded (Staw & Epstein, 2000).

The appropriateness of academics advocating approaches alien to academia and not scholarly at all is questionable, however. From an ethical perspective, it is a misuse of academia and may undermine business scholarship because business scholars will have no research-based techniques distinguishing them from groups of professionals. It is the duty of the academic world to be sceptical of the diffusion of dubious theories and to develop and spread the acceptance of theories based on sound argumentation, which may increase the credibility of business scholarship (Staw & Epstein, 2000). However, the gap between knowledge and doing (Pfeffer & Sutton, 1999), which reveals that much theoretical knowledge is not translated into practice, i.e. doing, is a problem brought about by the forces of the institutional network, which may be difficult to escape. Several solutions for closing the gap may have to be provided, but the management guru way of solving the problems is only a superficial one (Staw & Epstein, 2000). As has been shown above, persuasive rhetoric is important for the recipients' adoption of new management theories; therefore, part of the explanation of the gap may lie in many theories of sound argumentation being convincing but not sufficiently persuasive.[30]

All of this shows that rhetoric is a key management tool. Management constantly requires new rhetoric. The only problem is that, if the rhetoric is combined with theory that is full of mistakes, the sources of errors are numerous. In that case, the managers cannot use the theories to analyse the problems of their companies and they will not have an instrument which actually allows them to control and direct the company. Instead, more argumentative and empirically valid theories should be combined with entertaining rhetoric. Researchers who are preoccupied with developing

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[30] Possibly, part of the explanation may found in methodological issues. Thus there is probably a need for developing methods assessing both theoretical and practical validity (Israelsen, Nørreklit, & Nørreklit, 2001). This issue, however, lies outside the focus of this paper.

more cogent and realistic models possibly forget or are outright against the popularised communication of research results, which means that many managers do not ever become acquainted with the theories. Our conclusion, therefore, is that both researchers and managers have to become better at selling theories and models in a way that is persuasive yet convincing.

Further research

It should be emphasized that Kaplan and Norton (1996a) is not a lone offender against sound argumentation, which as such should be subjected to a rhetorical analysis. Similar analyses should be applied to other management guru text. Furthermore, as was discussed earlier in the part on sound argumentation, the works of Arbib and Hesse (1986), Latour (1987) and McClosky (1998) raise some issues related to the use of metaphors and ethos appeal in scientific texts which indicate that a rhetorical analysis may also be useful for an evaluation of academic texts in general. As regards, e.g. metaphors, a rhetorical analysis may be used to evaluate the extent to which a metaphorical shift in language use in an academic text contributes to the development and communication of new and valid academic insights, i.e. whether the metaphor is extended and developed by logic and analogy, whether these are internally tightly knit with valid interrelations, and whether the metaphors are underdetermined by the *data* of the phenomenon (Arbib & Hesse, 1986)? Furthermore, as regards ethos appeal, a rhetorical analysis may involve an assessment of the extent to which such an appeal in a text should be trusted, i.e. the extent to which there is sound logos behind the amount of references and networks in the text. We may, e.g. analyse whether some data has vanished or become twisted, whether something has become ''objective'' which should actually be doubted and whether the method applied with high ethos appeal is an expression of good logic with respect to the subject matter or a simple practical schema containing an artificially narrow range of arguments not related to the subject matter (Latour, 1987). On top of all this, a rhetorical analysis may elucidate whether any

general rules for making claims or drawing conclusions have been violated in the academic text under consideration, e.g. rules regarding logical fallacies, contradictions, and whether the meaning of concepts changes gradually or radically in the same text. The sum of a rhetorical analysis, as that shown above, may provide the basis for assessing the extent to which an academic text uses sound argumentation, which is a necessary although not sufficient condition for an academic text to be valid.

Our suggestion for further research is therefore that more rhetorical analyses should be carried out, not only of management guru texts but also of academic texts in the area of, e.g. management and accounting. The purpose would be not merely to evaluate the extent to which any given text would be persuasive yet convincing, but also to allow identification of good as well as problematic rhetoric as part of a learning process which may offer directions for the development of theories and models which may thus become still more convincing although persuasive.

Acknowledgements

Appendix. Key points of the criticism levelled against the Balanced Scorecard

This appendix aims to justify the claim made in the introduction that what the model offers is not particularly theoretically innovative and lacks a reliable theoretical base. It does not include a comprehensive analysis but a brief review of some of the main points to be found in an already published critique in Nørreklit (2000). The critique concerns (1) the cause-and-effect relationship and (2) the control model.

(1) *The cause-and-effect* relationship

The core of the balanced scorecard is that it contains outcome measures and the performance drivers of outcomes, linked together in cause-and-effect relationships (Kaplan & Norton, 1996a, p. 31; Kaplan and Norton, 1996b, p. 4 and p. 53). Yet, there is no such cause-and-effect relationship between some of the suggested areas of measurements. Specifically, there is not as claimed by Kaplan and Norton (1996a, 1996b) a cause-and-effect relationship between customer satisfaction and loyalty, and between loyalty and financial results; it is not generic that a "*high level of satisfaction will lead to greatly increased customer loyalty and that increased customer loyalty is the single most important driver of long term financial performance.*" (Jones & Sasser, 1995, p.90).

The criteria for a cause-and-effect relationship are usually the following (Edwards, 1972, vol. 2, p. 533; Føllesdal, Walløe, & Elster, 1997, p. 155): X precedes Y in time; the observation of an event X necessarily, or highly probably, implies the subsequent observation of another event Y; and the two events can be observed close to each other in time and space. The events X and Y are logically independent (Edwards, 1972, vol. 2: 63; Føllesdal et al., 1997, p. 155). This means that we can not rationally infer *Y* from *X* but can only do so empirically. Logical relationships are part of the concepts of a language, but cause-and-effect relationships are part of the structures of the world and the existence of such relationships can be shown empirically. Logical relationships, on the other hand, cannot be verified, or determined empirically. Accounting models are logical models

serving the purpose of creating financial rationality in an organisation. It is only through an accounting calculus that one can measure the financial results of cost reducing actions, but only through empirical observation is it possible to see, e.g. the effect of a change in machine speed from energy consumption. As cost is defined as consumption in monetary terms, it is logical that consumption creates costs.

The assumption that there is a causal relationship between customer satisfaction and loyalty (Jones & Sasser, 1995, Kaplan & Norton, 1996a) is based on the finding by Jones and Sasser (1995) of considerable covariation between high levels of customer satisfaction and loyalty. This is not surprising, however, as these concepts express approximately the same. A loyal customer is satisfied while a less loyal customer is less satisfied. The relationship is, in essence, part of the concepts and therefore logical.

An investigation by Reichheld and Sasser (1990) supports the assumption that a causal relationship exists between customer loyalty and profitability. Using four case studies, they show how much profit a customer generates over time. The earnings increase over the 5-year period investigated. They have found this *trend* in over a hundred companies (Reichheld & Sasser, 1990), which is their basis for claiming that loyal customers are the most profitable ones. The explanation for the profitability of loyal customers is that attracting new customers involves initial costs; loyal customers provide free marketing; and loyal customers are willing to pay more for a product in which they have confidence. What Reichheld and Sasser (1990) seem to ignore is the kind of customer which is loyal, placing small orders, buying customised products at low prices, and which is not profitable (Kaplan & Cooper, 1998, p. 191). As a matter of fact if a company has nothing but profitable loyal customers, the explanation may be that its management control system works well and that the company does not sell to such non-profitable satisfied and loyal customers. Reichheld and Sasser (1990) seem to define loyal customers as the group of customers which involve low costs and give high prices. Therefore, the definition is inherently concerned with profitable customers.

Furthermore, it is a well-known truth in the field of statistics that one cannot conclude from covariation that a causal relationship holds between the covariants, and in the case under investigation no causal relationship holds. Profitability derived from customer satisfaction or customer loyalty is neither a necessary outcome nor a highly probable one. Profitability depends on the revenues and costs attributable to having satisfied or loyal customers. This has to be based on financial calculus, i.e. on a logical relationship and not a causal one. What we may claim is that customers which are not loyal are expensive, but it does not follow that loyal customers are inexpensive. Such a conclusion would be a logical fallacy: Similarly, although we know that, if it is raining, then the streets will be wet, we cannot conversely conclude that, if the streets are wet, then it is raining. Statistics cannot show that something is a logical fallacy. For example, financially successful firms only sell to loyal customers which are profitable; otherwise, the firms would not be successful.[31]

(2) *The control model*

The claim that the balanced scorecard is a strategic control model that is able to handle the problem of strategy implementation also has its shortcomings. First, the model does not monitor the competition or technological developments. This implies that it does not take into consideration any strategic uncertainty in terms of the risk involved in events which may threaten or invalidate present strategy. Second, the formulation of measures and the breakdown and distribution of these to teams and individuals are hierarchical top-down processes. Thus local conditions have been defined by the top management; the top-down decomposition process is a sort of analytical method "that *cascades* high level measures to lower organisational measures" (Kapan & Norton, 1996a, p. 213), and the vision is communicated through executive announcements, videos,

town meetings, brochures and newsletters (Kapan & Norton, 1996a, p. 202) with no personal involvement of senior management. The authors disregard any implementation problems, and winning support for the system is considered unproblematic. Such concepts as *interactive, employee empowerment* and *organisational learning* are mentioned in the text and considered unproblematic in the balanced scorecard. It is difficult, however, to make these concepts unproblematic in a control system which is based on top-down hierarchical measurements. We can therefore conclude that the balanced scorecard contains control features which have been widely criticised for not being rooted in a dynamic environment or in the organisation (Parker, 1979; Mintzberg, 1987, 1994; Argyris & Kaplan, 1994; Emmanuel & Otley, 1995; Simons, 1995; Nørreklit, 2000). The effect of such a control model may be seriously dysfunctional behaviour and the loss of strategic control.

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[31] It should be noted that, lately, Kaplan and Norton have changed the concept from a cause-and-effect relationship to *a cause-and-effect logic* (Kaplan and Norton, 2001). However, a cause-and-effect logic is a logical impossibility, much like talking about a non-nuclear atomic device.

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