



Contents lists available at ScienceDirect

Accounting, Organizations and Society

journal homepage: www.elsevier.com/locate/aos

The interdiscursive appeal of risk matrices: Collective symbols, flexibility normalism and the interplay of ‘risk’ and ‘uncertainty’

Silvia Jordan ^{a, *}, Hermann Mitterhofer ^b, Lene Jørgensen ^c

^a Universität Innsbruck, School of Management, Universitätsstraße 15, A-6020 Innsbruck, Austria

^b Universität Innsbruck, Faculty of Educational Sciences, Schöpfstraße 3, A-6020 Innsbruck, Austria

^c Stord/Haugesund University College, Bjørnsonsgate 45, Haugesund, Norway

ARTICLE INFO

Article history:

Received 14 March 2014

Received in revised form

24 February 2016

Accepted 20 April 2016

Available online xxx

Keywords:

Risk matrix

Visualization

Interdiscourse

Governmentality

Inscription

Collective symbols

ABSTRACT

In this paper, we investigate risk matrices as an increasingly popular technology of risk assessment and visualization. Drawing on governmentality studies and Jürgen Link's interdiscourse analysis, we analyze the interdiscursive character of risk matrices, the ways in which they appeal to a variety of users in different organizational contexts and disciplines and act as technologies that mediate between specialized and everyday discourses. We illustrate the interdiscursive appeal of risk matrices in terms of the ways in which they have been promoted as functional in different disciplines and application contexts, and we analyze the specific symbolism engaged by risk matrices in these different discursive contexts. Based on Link's interdiscourse theory, we argue that risk matrices ‘speak to’ the user and work as application templates for processes of identification through semantic connotations and analogies that go far beyond concerns with precise measurement and mathematically correct manipulation of risk-related data. Risk matrices become ‘understood’ and are powerful precisely because they point *beyond* the specific events and processes represented on the matrix. As such, the widespread appeal of risk matrices is fundamentally constituted through their symbolic connotations by means of which complex and potentially not well understood processes come to appear simple, imaginable and ‘manageable’. More broadly, Link's interdiscourse theory contributes a semantic analysis to governmentality studies in accounting. It draws attention to the semantic connotations and analogies by means of which visual technologies of government mediate between broader programmatic ideas and the practices of local users. Furthermore, this analysis contributes to the debate on the visual nature of calculative inscriptions, illustrating how specific visual elements of risk matrix inscriptions relate to their (inter-)discursive promotion and proliferation, and it discusses how ideals of ‘judgment’, in combination with ideals of algorithmic formulation, are at play in the promotion of calculative inscription devices.

© 2016 Elsevier Ltd. All rights reserved.

1. Introduction

In this paper, we investigate risk matrices as an increasingly popular technology of risk assessment and visualization. We analyze the interdiscursive character of risk matrices and the ways in which this ‘technology of normality’ (Foucault, 2010; Link, 1996) has come to populate a variety of different disciplines and application contexts. Considering risk matrices as ‘interdiscursive charts’ (Link, 1982, 2007), we discuss how risk matrices have been presented as useful in different discursive contexts, and we analyze the

symbolic means through which risk matrices mediate between different specialized and everyday discourses. Risk matrices represent and rank risk objects as diverse as financial, health and safety, environmental, technical and reputational risks on a Cartesian coordinate system along the dimensions of probability and impact. The represented risks are usually classified within a tabular matrix format according to their criticality and intervention urgency. Fig. 1 shows a basic two-by-two risk matrix format, and Fig. 2 the currently most widespread ‘traffic light’ format, also referred to as ‘heat map’ (e.g., COSO, 2004b), ‘risk map’ (e.g., Institute of Management Accountants, 2007) or ‘risk reporting matrix’ (e.g., Department of Defense, 2006).

Risk matrices have been reported to be the most commonly used tool for risk assessment in practice (Collier, Berry, & Burke,

* Corresponding author.

E-mail addresses: silvia.jordan@uibk.ac.at (S. Jordan), hermann.mitterhofer@uibk.ac.at (H. Mitterhofer), lene.jorgensen@hsh.no (L. Jørgensen).

Likelihood	Probable	Medium Risk	High Risk
	Improbable	Low Risk	Medium Risk
		Minor	Major
Consequence			

Fig. 1. Basic two-by-two risk matrix format (HB 346, Risk Management Guidelines-Companion to AS/NZS 4360, 2004: 50).

Some authors state that risk matrices enjoy a wide popularity due to their apparent ‘simplicity’ and ‘ease of use’ (e.g., Ball & Watt, 2013; Tweeddale, 2003). However, these accounts do not unpack what constitutes this simplicity and what kind of purposes and rationales have become attached to such simple risk representations.

As has been shown concerning other calculative technologies (e.g., Burchell, Clubb, & Hopwood, 1985; Jones & Dugdale, 2002; Miller & O’Leary, 1987; Robson, 1991, 1994), the promotion of certain tools and concepts at the expense of others is not sufficiently captured by functional explanations which espouse an evolutionary logic of progress and continuous improvement (Miller, Hopper, & Laughlin, 1991). Rather than testing the functionality of risk matrices, we therefore seek to analyze in this paper in what ways risk matrices have come to be *understood* and *promoted as functional* in diverse discursive contexts and to offer theoretically informed hypotheses on how this visual technology manages to engage a variety of users through specific symbolic means. Our analysis is based on German linguist Jürgen Link’s (1982, 2007) interdiscourse analysis and Foucauldian governmentality studies (Foucault, 1991, 2010; Miller & Rose, 2008; Rose & Miller, 1992). Link’s (1982, 2007) interdiscourse analysis

Probability	Very likely					
	Likely					
	Less likely					
	Unlikely					
	Very unlikely					
		Negligible	Minor	Moderate	Major	Huge
		Impact				

Fig. 2. ‘Traffic light’ risk matrix format (own illustration).¹¹

2007) and have been described as typical technologies of ‘Enterprise Risk Management’ (ERM) (COSO, 2004b; Mikes, 2009; Power, 2004, 2007; Woods, 2009). The ‘best practice’ template of ERM by the Committee of Sponsoring Organizations of the Treadway Commission (COSO, 2004b), for instance, suggests risk matrices as tools for setting risk appetite levels as well as for risk assessment. As a judgmental and graphical method, risk mapping has been argued as being particularly important for the assessment of non-quantifiable risks and for the provision of overview in correspondence to ‘risk governance’ requirements: “[t]he emphasis on risk identification systems gives technologies of risk visualization or ‘mapping’ a more central position in the management process than risk calculation; governance requires overview instruments” (Power, 2007: 80).

While risk matrices increasingly populate the managerial and regulatory vista of diverse types of organizations and tend to capture a growing repertory of risk objects (Ball & Watt, 2013; Collier et al., 2007; Power, 2007; Woods, 2009), we know little about the schemes and connotations that have become attached to this valuation technology over time and the ways in which risk matrices have come to be seen as attractive to a wide range of different users.

extends Foucauldian discourse analysis by a semiotic analysis (following Greimas, 1983 and Todorov, 1984) of visual symbols and graphs. It enables us to investigate risk matrices as ‘interdiscursive charts’, as visual technologies of government that interrelate different specialized and everyday discourses.

Investigating risk matrices seems worthwhile for several reasons. First, several authors have questioned the functionality and representational precision of risk matrices (Aven, 2011; Ball & Watt, 2013; Brünger, 2011; Cox, 2008; Cox, Babayev, & Huber, 2005; Pickering & Cowley, 2010; Rommelfanger, 2008; Ward & Chapman, 2003). Such testimonies of technical “imprecision” and misrepresentation, however, have not impacted the popularity of risk matrices much, as they continue to be increasingly applied in practice and promoted by risk management guidelines (e.g., AS/NZS, 2004; COSO, 2004b; Department of Defense, 2006; Institute of Management Accountants, 2007; International Risk Governance Council, 2005; International Organization for Standardization, 2009), integrative risk and project management technologies (e.g., Project Information Management System PIMS; MITRE risk management toolkit; SAP-GRC) and consultants (e.g., Clarke & Varma, 1999; Curtis & Carey, 2012). We therefore see a

Download English Version:

<https://daneshyari.com/en/article/7239459>

Download Persian Version:

<https://daneshyari.com/article/7239459>

[Daneshyari.com](https://daneshyari.com)