

Copenhagen Business School

# The use of external consultants in budgetary work:

An investigation of the roles and interactions of consultants in accountings change projects, within the Danish Defense Agreement of 2018-23, and underlying budget analysis.

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## ABSTRACT

This thesis seeks to contribute to the debate on the usage of external business consultants for public sector purposes. Rich literature within the fields of Actor-Network theory and New Institutional Theory describes business consultants as diffusers of private sector practices, which by modern governance standards are sought implemented in the public sector. However, these projects have had controversial effects due to oversights and political meddling, and the arbitrary methods and processes employed by consultants are blamed. They are historically seen as masters of cost-profit evaluation, but now claims that arbitrary analytical benchmarks and attention-directing analysis can make them experts on the costs-benefit analysis implied in public sector budget allocation and analysis.

In this endeavor, this thesis dives into a case-study of a recent politically ordered budget analysis on the Danish Defense Force, which mandated consultants to find 1 bil. dkk in effectivizations without affecting operational capacities. Unlike previous attempts, this inquiry would have the consultants embed internal actors, as to allow their specialized insights to partake in trials of strength with the consultants instigating comparative analyses.

To do this, the theoretical framework is based on Actor-Network Theory, and herein on the theories on the *moments of translation* with the support of *purification*. ANT contributes by allowing us to investigate the networks of both the social and natural world, resulting in extracted knowledge on the interactions, redefinitions, reconfigurations and outcomes of both human and non-human inscriptional interaction.

The thesis concludes that certain preexisting biases rendered obstructions to the full mobilization and implementation of the program, as the biases resulted in a program which were structured as to incite the enrollment of internal actors, but then filtered the outputs on skepticism, risks and uncertainties out of the circulation of the final inscription. While certain cultural and structural relations incite to mobilization anyhow, the consultants did not manage to de-politicize their truth-claims as rational.

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# 1 INTRODUCTION

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This thesis aims to investigate the use of consultants for budgeting purposes within the public sector. The process of budgeting excessive history objective of any organizational leadership, especially in the private sector, and is supported by a rich literature. Albeit a commonality is often that the executive management has a large authority over it.

In the danish public sector, this budgeting process has had the Ministry of Finance<sup>1</sup> embedded in a partnering role with the individual public entities executive management. This partnership has been instrumental to best allocate the funds based on political management, especially as the sentiments wanted to ensure a maximization of the value gained through the tax-payers money. However, in recent times this partnership has changed. The motivations are much the same, but the use of consultants to manage budgeting on the behalf of the political elements has gained increased prevalence. The general reason can be attributed to the expert's role as diffusers of scientific, proven, and effective practices. This is sought out, as their experiences based extensive backlogs, good educations and general 'best-practices' may serve to instill a public sector that operates as effectively as the private sector. Furthermore, they may serve to render economical changes imposed on the public sector as rational and un-political, enhancing accountings change processes. But why are the consultants deemed as more preferable for public sector budgeting than the MoF or internal executive leadership? Why is public sector management sought decentralized instead of utilizing internal experts? Why are they employed when politicians seek to reform the public sector?

This subject is increasingly debated by extant literature on the danish public sector. This past decade, the consultants have been involved with major reforms and accounting change projects within examples such as the Danish Defense Force<sup>2</sup>, the Danish Police, and the tax authorities (SKAT), resulting in following controversies and several scandals. All the while the internal controlling elements were diminished. The cause for debate: the consultants employed means to justify accounting change. A political instigation, a lack of specialized insight and the use of arbitrary comparative analyses purified change projects with major oversights, wherein benchmarking are a frequent

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<sup>1</sup> MoF onwards

<sup>2</sup> DDF onwards

device. The consultants did however identify and legitimize changes that allowed for reforms, an ability which may contribute to their continued and increasing use.

In the effort to contribute to this debate, we will analyze upon a case study of the DDF, and a consultancy-led budget analysis hereon in 2017. Of interest here are the processes within, and the consequent implementation of an analysis as an accountings change project. This budget analysis was ordered by political elements within the MoF and the Ministry of Defense<sup>3</sup> to find potentials of at least 1 bil.dkk, providing a semblance of bias to the process of effectivization.

One motivation identified were to gain political justification for raising the DDF's budget in connection to coming political DDF agreements, so that it would comply with NATO demands. Another were to 'clean up' after what was reported as a botched implementation of a previous consultancy-led budget analysis in 2013.

The role of the consultants was thus pre-defined - they were to find a budget optimization, no matter the wants and needs of the DDF. This potentially threatens the consultants claimed attributes of being independent, a-political diffusers of science. Two core implications were made to the analysis; it was not to affect operative capacities, and it were to include the participation of DDF task-groups as to verify and adjust the potentials. It was to be cheaper, and preferably also better. A key device in this process were once again to be arbitrary benchmarking, wherein it was implied that the DDF actors could adjust and realize them. This thesis will thus investigate the process of the consultant's work, and how the DDF officers participate.

## 1.1 PROBLEM STATEMENT

The project shall focus on the roles of the consultants, and their involvement in the implementation of accountings change through the budget analysis. This is sought done through examination of the processes within the formation of the analysis, and how it interacts to engage the internal actors, and how the output affects the implementation. The political interests threaten the consultants title as independent experts, and their employed methods are arbitrary and rely on the interaction with specialized insight to be of use. Of note interest here is that the previous budgetary inquire did not incorporate broad participation, possibly affecting the yields and prioritization of changes. While

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<sup>3</sup> MoD onwards

this has had a modest effect on the actual yields expected following the analysis, the internal actors are seemingly much more accepting of this current budget cuts than previously.

***In what roles are consultants involved with budget analyses and with what effects?***

The recent budget analysis laid the foundation for vast accountings changes within the DDF, and are expected to realized based on benchmarks which have to be complimented with elaboration of uncertainties and risks. Should the expected yields not be realistic in the finished analysis, the implementation process will likely fail, with implications for all involved actors. It is herein reasonable to assume that unmoderated calculations were to be challenged and adjusted. While the general sentiment suggests that this had limited effect on the conclusions, as the political pressure was significant, the ordered yield was identified and claimed as risk-free. The internal actor would herein have to implement the changes or try to debate and change them. To support the underlying elements of the problem statement, the following research questions must be treated:

**1.1.1 Research Questions**

- Which actors and events can be identified in the process of producing and implementing the budget analysis?
- What interests and identities can be attributed to the identified actors?
- What scientific means and methods are employed to attain truthful conclusions?
- How was the budget analysis and underlying benchmark analysis secured from opposition?
- Did the participation of internal actors help to realize and secure the implementation?

These are sought answered through the accounts of the several actors covering different roles in relation to the budget analysis, herein counting DDF senior leaders, DDF unions, a DDF scientist, and a mid-level officer.

**1.1.2 Choice of theory**

The overall analytical frame is based on Actor-Network Theory, and is structurally based on the *4 moments of translation* (Callon, 1986), which will be the primary analytical vehicle for identifying the consultants involvement with and of the internal actors in the processes. To understand the effects of the consultants and their co-production with DDF actors, Bruno Latour's (1993) work on *purification* will be utilized in combination with the latter stages of the translations process.

This perspective is sought used, as it incorporates elements of both sociology and economy. The performativity thesis by Callon (1998) describes that theories, frameworks and technologies produce what is describes, indicating the existence of both a natural and a social dimension to the area of accounting change. Knowledge are herein defined as a social construct, which is found in the networks of actors, both human and non-human. This allows to investigate the actor's continuous redefinitions of each other's identities and roles, including the effects of inscriptions in circulation. This perspective is essentially unique within accountings change literature. In extension, various subjects of interest to the analysis will be presented within a literature review on public sector budgeting and the use of consultants.

The analysis will be structured in four segments:

1. Problematization – how actors and wants within the case are identified, and how they are placed within a configuration of a network.
2. Interessement – how the budget inscriptions and the program were to lock the identified actors into the defined place and identity.
3. Enrolment – an investigation of the interactions among the actors, and how these would engage with the program through trials - based on local experiences within the educational and maintenance divisions.
4. Mobilization – In depth analysis of the basis for enrolling the consultants, how they interacted and the consequences that their purification had on the mobilization of the DDF.

## 1.2 METHODOLOGY

### 1.2.1 Philosophy of Science

ANT is inherently connected to social constructivism and are heavily based on three methodological principles.

1. *Agnosticism* in regarding the actors engaged and the commitment to include both the natural- and social sciences in the observed.
2. *Generalized symmetry* is the commitment to form explanations of differing viewpoints in the same terms, and that the ingredients of controversies are of both the natural and social world.



3. *Free association* is the principle that there is no definitive boundary among the natural- and the social world.

These principles are what makes the theory stand out from other sociological theories on power relations. A researcher following the principles must commit to stay impartial to the implicated actors, to equally explain the conflicting viewpoints and to not make distinctions between natural- and social actors. This pursuit allows for a linkage of the two academic fields, which is proposed as more adequate when discerning power relations – as within the studied controversies *‘the intervening actors develop contradictory arguments and points of view which lead them to propose different versions of the social and natural worlds.’* (Callon, 1986, p. 199-200). This allows us to *‘question society at the same time as the actors and explain how they define their respective identities, their mutual margins of maneuver and the range of choices which are open to them.’* (Callon, 1986, p. 201). The result is that we will gain insight on the capacities of certain actors to influence others, no matter if they are human, institutional, technological or natural entities - and whether they do rely on a complex interrelated web of actions and events, in which both society and nature are intertwined.

#### 1.2.2 Limitations

The initial scope of this project was heavily intended to delimit the investigation to a specific locale subjected to the 2017 budget analysis, through a longitudinal field study. Herein, we would be able to dive deep into the interactions among actors in defining and redefining the goals and identities of the process. This aim was however severely obstructed by two factors.

First and foremost, I was unable to secure a project partnership with, or within the DDF. Several inquiries to contacts, the FAK and the FRS proved fruitless. This incited to a change in strategy, wherein I opted for contacting a wide selection of relevant actors. This resulted in success with an anonymous contact in FAK and the officer’s union. The union contributed to the analysis through reaching out to both other unions and officers within the DDF. These however oversaw different segments of the budget analysis, resulting in a very wide set of data.

Two implications exist herein. The dataset was consequently much larger than what the frames of this thesis can investigate. Therefore, only a small selection of relevant examples is represented herein, as to allow for an in-depth analysis. Not all relevant trials of strength and consequences

hereof are treated. A second implication stems from the selection of respondents, wherein many were in some way affiliated with unions that had historically demonstrated skepticism towards the budget analyses. While this by no means meant that the opinions on the outcome of the case were uniform within the dataset, it warrants care when generalizing the role of the consultants. Speaking of these, valuable insight could have been extracted from the consultants of McKinsey & Co. BSG, and Struense & Co., albeit these have a non-negotiable policy of not commenting client-cases.

The conclusions of this thesis are hereby not to be regarded to demonstrate the full implications of the case, which would otherwise involve numerous additional actors to be involved and a much longer time-frame. The principles of social constructivism underlines how the resulting knowledge extracted from the case is heavily formed by the researchers interpretation, wherein the motivation for a wide selection of data was founded for this case. The generalizability is however questionable, as the data available herein are highly relevant for my conclusions, consequently suggesting that it could have been very different with the inclusion of the consultants. The role of this project is to contribute to existing debate on the seemingly political enrollment of otherwise claimed independent experts.

### 1.2.3 Collection of data and interview conduct

To investigation the specific processes within the 2017 budget analysis, 7 interviews were conducted with various actors directly or indirectly involved with the case.

The interviews were all based on a semi-structured approach and the methodological principles within ANT, and the respondents were sent planned questions beforehand as to allow them to prepare. These questions have for the most part been uniform throughout the project. The dialogue was otherwise unobstructed to allow it to freely devolve into unforeseen relevant subjects and insights. The interviews were planned and executed in a loose partnership with another student, working on a separate thesis on a very similar case. The original intention was to produce this project in collaboration, but structural limitations disallowed us to, as we are attending different universities. The result is that each interview conducted comprises of the first half of her questions, the second half of mine, wherein the entirety of the data was shared among us. The separation in ownership is however noted therein.

The dataset is elaborate and much are is excluded within this thesis. The interviews have all been summarized in English, while those most relevant for this project has been transcribed, albeit in the original language. The interviews were recorded either as audio or video. This prioritization was due to the large collection. It should be noted that the translated summaries rely on my capability to describe the precise intentions of the respondent, warranting care when reviewing both them and the utilized comments herein.

The interviewed actors had vastly different positions both internal and external to the DDF, but all with a common professional background in the DDF – and have either worked with, against or been subjected to the budget analysis. All respondents are anonymized in the project, as to allow them freedom of speech.

| Interviewee                                    | Role  | Notes  | Appendix/source      |
|--|---|--|----------------------|
| Chairman & vice-chairman, HOD, officer's union | Public opponents to the analysis and consultants. Incorporated by the FC in separate task groups. | Retired army Ltd. Colonel + Active officer in the army   | I1 (Transcript) + L1 |
| Chairman, HKKF Soldiers union                  | Public opponents to the analysis and consultants. Incorporated by the FC in separate task groups. | Former Sergeant, logistics officer and educator  | I2 (Summary) + L2    |
| Head of section, FAK                           | Actively involved with the analysis, sceptic  | Educated Cand.merc. within strategy, organization and leadership. Responsible for education of officers. | I3 (Transcript) + L3 |
| Chairman, FLO, DDF Civ/tech union              | Public opponents to the analysis and consultants. Incorporated by the FC in separate task groups. | Former sergeant, previously DDF employed civilian technician   | I4 (Summary) + L4    |
| Officer, Navy                                  | Not involved directly with the analysis, subject to cutbacks                                      | Current Lieutenant Captain, operational position   | I5 (Summary) + L4    |
| Major#1, VFK, Airforce                         | Actively involved with the analysis, optimistic   | 'Retired' Major, employed in VFK Airforce staff on part-time   | I6 (Transcript) + V6 |
| Major#2, VFK, Navy                             | Actively involved with the analysis, sceptic  | Major in the VFK Navy-staff, maintains 'customer' relations with material/acquisitions agency            | I7 (Summary) + V7    |

*(Table 1 – Own source)*

#### 1.2.4 Documents

This thesis also makes an extensive use of documents, herein especially the reports of the NAOD, the PAC and the consultancy-made budget analysis documents (Appendix B1; B2; B3). This is done

to gain insights into the technicalities, actions and processes of actors otherwise not incorporated into the collection of data. ANT is a second motivator for this, as these reports are to be accounting inscriptions, warranting an investigation of their ascribed roles and their interactions with human and non-human actors within the case (Callon, 1986), which can contribute to describe the performativity of the inscriptions (Callon, 1998). The moment of problematization were hard to describe for several of the actors interviewed, as it originated in a web of networks and relations outside of their reach. Consequently, this thesis employs articles and papers to shed light on the non-accountings inscriptions related to the case, and find where the interests and wants were initially defined.

## 2 THEORY

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### 2.1 LITERATURE REVIEW

#### 2.1.1 Budgeting and governance in the public sector

Recent NPM reforms have sought a decentralization of decision control to public sector entities, in effort to distance political sentiments from those with specialized insights, internalizing the identification of optimal solutions by framing the organizational arena of action. Meanwhile, the politicians maintain control through a budgeting framing arrangement, which directs the local actors towards the political goal. This is to couple political supervision and the specialized knowledge to identify optimal resource allocations on the evaluation of costs/benefits.

The reforms have additionally embedded the MoF into the reorganization of the public sector as the politician's watchdog in the form of auditing, to ensure optimal output and the removal of any unnecessary 'fat' (Bogason, 2013; Hood, 1991 & 1995; Osbourne & Gaebler, 1993). The reforms have hereon also sought to implement market functions to further increase innovation, efficiency, and incentives (Seal at al., 2019, Bogason, 2013; Lazear & Gibbs, 2017), as that 'proven' private sector management practices can be readily imported into public organizations (Hood, 1991). The identification of these are however a hybrid of the frame, the organization and what is found as 'proven' methods. Organizational problem-solving is often partial, not a total calculation of the organizational possibilities, and the search for applicable solutions ends the moment that a satisfactory alternative is identified (Cyert & March, 1963).

Private organizations however operates costs/profits, not cost/benefits, and public entities thus warrant alternative methods for evaluation (Bogason, 2013; Anthony & Young, 2002). The values of public service activities require careful consideration to determine, which consequently require subjectivity, to be overseen by governmental entities (Melander, 1982; Bogason, 2013; Anthony & Young, 2002).

These principles disaggregate organizational budgets into several line-items, resulting in increasingly detailed reporting. A concern here is determining the right balance of control and decentralization, as politicians will rarely gain the specific insight required for optimal strategizing yet must make sure that the budget are correct (Seal et al., 2019; Lazear & Gibbs, 2017). In the case of any controversy, they also have a vested interest in limiting their implication (Skærbæk, 2017; Skærbæk & Christensen, 2015; Hansen, 2020). It is here the role of decentral actors to both provide the specialized knowledge.

This process involves more actors for the budgeting process, and results in instilling both participatory budgeting and line-item budgeting simultaneously. This allows the politicians/officials to get more precise accounts of the inner workings of the entities, but also ensures that the internal actors are incited to maximize value-for-money adherence. It is both a decentralization of responsibility and a device for a stricter control, as the entities must comply, but are free to find the most optimal method within the frame. Should they fail, they will be subject to extensive scrutiny by authorities. The result is a budgeting approach based on extensive reporting, such as the line-item budgeting suggested by Hood (1991). It may however easily turn into zero-sum budgeting (Zimmerman, 2017), effectuated if the politicians seek to infuse their political perspectives above the technical insights.

Line-item budgeting specifies maximum resource allocations for each specific task, and therefore instills a tight control of spending. It does poor job of incentivizing cost-cutting, as any positive budget variance would result in a lower allocation the following period. Zero-sum budgeting also entails specified resource allocations, but also requires frequent justification, review and scrutiny. All expenditures must be clarified and defended, regardless of whether the line-item is expected to meet or exceed the allocation. Each line item will be reviewed for redundancies, possible optimization, quality-quantity adjustments, effects of discontinuation and benchmarking. Anything which total cost exceeds its benefits is eliminated in the pursuit of maximizing value. Nevertheless, zero-

sum budgeting may then develop into incremental budgeting, because of the managements tendency to only focus on changes, as they are drowned in reports in which they have little insight (Zimmerman, 2017, p. 239).

Zero-sum budgeting is useful in organizations with problematic employee-turnovers, rapid changes or high uncertainty, as the decision and control rights can be allocated to entities with the right specific knowledge to maximize value. This is especially why this budgeting method has gained traction in governments and public sectors, a result of limited insight on the behalf of elected ministers & officials. It is herein especially helpful in the pursuit of managing trade-offs and priorities in relation to optimal spending of tax funds. Another factor to zero-sum budgeting's popularity can be ascribed to consultancies, which are especially suited to distribute popular describes 'best-practice' methods. The consultancy firm Mckinsey & Co. has actively encouraged adoption zero-sum budgeting in the public sector, as a tool to raise cost efficiency. While they signify strengths and some weaknesses, they fail to mention the implications of distributing decision rights, defining how to evaluate performance or setting up systems to cut unproductive costs (Zimmerman, 2017; Callaghan et al. 2014). This final factor is incredibly relevant for this thesis, as Mckinsey & Co. was central to the foundational budget analysis for the previous Danish Defense Agreement<sup>4</sup> in 2014 (Christensen, 2014).

### 2.1.2 The use of consultants

The new institutional theory perspective explains that organizations exhibit a tendency to become increasingly homogenous with limited benefits to competition or efficiency, as they all race to adopt 'proven' methods due to pressures and symbolical values. The copied methods and practices are subconsciously linked with limiting uncertainty and increasing legitimacy, which is further supported by the rising usage of consultancies as diffusers of 'best-practice' methods. Malmi (2001) describes consultants as packagers that sell accounting fashions, necessarily painting them as legitimate sources for these proven methods (DiMaggio & Powell 1983; Granlund & Lukka, 1998; Meyer & Rowan, 1997).

Modern governance operates on the same mechanisms. Consultants and auditing have played a large role in the implementation of accounting in the danish public sector. Auditing are seen as a

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<sup>4</sup> DDA onwards

necessity for evaluation of cost/benefits and budgeting (MoF, 1983), wherein the National Auditors of Denmark (NAOD henceforth) have historically acted proactively to 'modernize' the public sector (Skærbæk & Thorbjørnsen, 2007). Consultancies are regarded as fact builders (Chua, 1995 & 2007), which can legitimize management decisions and satisfy political requirements (Lapsley & Oldsfield, 2001), and can purify and stabilize attempts of strategic change and the allocation of blame with 'truth claims' (Skærbæk & Tryggestad, 2010; Latour, 1993, Douglas, 1992; Guénin-Paracini, 2010). It is rational to employ acclaimed experts to find indisputable solutions to the challenges of implementing private sector practices into the public sector. But can consultants hybridize their private sector expertise and the specific public organizational knowledge to accurately describe costs and benefits?

Critiques of the current governance theme state that the extensive usage of documentation and control, often results in an overburdened public sector through numerous regulations that require interpretation, which hinders the objective (Stacey, 2005; Ahrens, 2016). But is that an argument against NPM, or an indication of recklessness exhibited by consultants and politicians?

These questions are already present in other accounting literature. Skærbæk & Thorbjørnsen (2007) illustrate this on the Danish Defense Force, as reforms led to an 'accountinization' of the DDF officers. NAOD required extensive reporting on performance measures and cost drivers, which the DDF struggled to describe. The consultant/auditors acted as enforcers of modernization, embedding the changes despite controversies. Christensen & Skærbæk (2010 & 2015) show how consultancies can be brought into the policy-making frame for negotiations to 'purify' reforms in the Danish police. The scope of the consultancy's involvement was narrowed as to politically strong-arm the purification, implementing arbitrary performance evaluation. When this budgetary control and restructuring of the police led to negative public relations, auditing became a political tool to allocate blame on the Police leadership. In Christensen, Skærbæk & Tryggestad (2019), controversies in implementation of reforms into the DDF are investigated, herein the trials of strength/incompatibility when rationalizing or questioning the implementation. Political pressures sought to outsource canteen operation but was initially disproven by the DDF. The frame of the trial were changed so that the political interests won, despite it resulting adverse effects from outsourcing.

Extant literature has also started to question the usage of external experts for public sector governance change projects. Consultants are enrolled as a political tool for accountings change projects and reforms in the public sector, to legitimize political decisions (Skærbæk, 2017; Skærbæk, 2019; Christensen & Mortensen, 2019; Blom-Hansen et. Al. 2017). The MoF has increasingly incited to have consultants act on their behalf on public sector reforms, such as on budget analyses of the health care sector, the tax authorities and the report investigated in this case study. It suggests that the analytical capacities previously demonstrated by the MoF has been cut back, resulting in a lack of openness and detailed public reports. It may be attributed to power-relations and legitimacy, wherein the MoF and the resulting analyses are rendered legitimate by external experts, rather than as political inscriptions made by eager modernizer (Blom-Hansen et al., 2017). The result has been reforms which are hastily passed on to legislation based on assumptions, such as centralization, economies-of-scale and synergies - but not in-depth analysis or debate. The key implication herein is the power and control implied in the expert abilities to legitimize political assumptions, and lets the political element assume direct control in effort to be a proactive and reforming entity. They accept the conclusions of consultants without analysis and debate, as they do not possess the insight to disprove the conclusions, and these are isolated to the specific entity. The power relationship herein gives a political and technocratic control akin to plan-economy (Christensen & Mortensen, 2019). These effects demonstrated by the scandals of the Danish tax authorities, wherein consultants legitimized cutbacks on internal controlling entities, confident in the MoF's and the NAOD's ability, despite the role of internal auditing has on fraud and misrepresentation (Skærbæk, 2018; Skærbæk, 2019)

Hinted herein lies a critique of the analyses of consultants, that legitimize outputs prescribed by politicians, which accepts it as legitimate, so as to take on the role of modernizers. It also invariably renders the process political – it assigns a high level of control over the organization, while it keeps them distanced from following issues (Winther, 2020; Skærbæk, 2019, Christensen & Mortensen, 2011). The consultant's analysis are however often based on comparative and attention-directing methods and theories from their extensive backlog in the private sector, herein LEAN, outsourcing, best-practices, span-of-control, Just-in-time, – the methods employed are designed for careful consideration of what causes the comparative variance (Simon et. Al. 1954) and what that can be



copied, wherein such comparisons require extensive evaluation to be of use. Especially concerning the unique public sector entities, which operate on a non-profit basis.

## 2.2 ACTOR-NETWORK THEORY

### 2.2.1 The 4 moments of translation

Actor-network theory is today synonymous with the work of Bruno Latour, Michel Callon and John Law, which has developed on the framework since the 1980'. Opposing other sociological traditions, which define the social as a construct or social order as an easily defined and stable domain of reality; ANT is based on the notion that the social is instead all which is connected or associated in new constructions. The role of sociology is therefore to follow the implicated actors through their associations or translations, which ties them in new social formations. Therefore, it includes material practices which serve to shape specific social orderings, as these can be attributed agency much like the social sciences attribute human actors (Chapman et al., 2015). Technological and material objects are hereby likened to actors and are just as important as the human actors (Blok, 2013).

Michel Callon (1986) introduces the '*sociology of translation*' (Callon, 1986, p. 196) as consisting of four moments of translation; a framework that sheds light on the role of science and technology in power relations, of which actors impose themselves and their definition of the situation onto others. As such, the framework serves to understand processes of which things are developed, implemented, and stabilized. The four moments refers to the process of following '*...an actor through their construction and deconstruction of nature and society.*' (Callon, 1986, p. 203). Translation being the general process, it represents the stream of moments in which the identity of actors, the possible interactions and the margins of maneuver are negotiated. In the practical sense, these moments often overlap. Nevertheless, they are defined as *problematization*, *interessement*, *enrolment* and *mobilization* (Callon, 1986). Translation refers to all the processes within, where two actors (or more) are put in a relation, where one of the actors gain the power to speak and act on the behalf of the network (Blok, 2013, p. 550).

**Problematization:** The moment of problematization entails a state wherein a set of actors and their identities are determined and identified, in a way which enables establishment of themselves at an obligatory passage point (OPP henceforth) within the network of relationships that they are building. Doing so embeds the instigating actors into the network (Callon, 1986). The purpose is to

criticize the old state of affairs and pave way for a possible new solution or program – through a network alliance.

The OPP is defined as the point in which all the identified actors and identities would have their interest satisfied, which becomes the goal on which the alliance is to be formed. In Callon (1986) the specific example results in the question of whether the '*Pecten Maximus*' scallops can attach, so as to be cultivated. It represents the collaboration of societal and natural sciences to form an alliance of which actors would stand to gain from the fulfillment of the implicit problem statement. In this case, all the identified actors in the established network must know the answer to the OPP; the researchers which initiated the problematization wants to know whether their related experiences regarding other scallops can be replicated, the scallops can gain increased safety from predation if they can attach, the fishermen can cultivate the scallops and secure long-term profits if the scallops can attach and the scientific community hopes to advance knowledge on the subject of scallops. The network is identified as a result, and '*In this case. A Holy Alliance must be formed in order to induce the scallops of St. Brieuc Bay to multiply*' (Callon, 1986, p. 206). Through the OPP, the scientists in Callon's example made themselves indispensable to the network and can through the next moment incite the identified networks involvement.

**Interessement:** The moment of interessement is the moment when the allies are locked into their identified place in the network. From problematization alone, the identified actors and entities may not see themselves interested in the OPP, they may in fact not see themselves related to the network at all.

*'Each entity enlisted by the problematization can submit to being integrated into the initial plan, or inversely, refuse the transaction by defining its identity, its goals, projects, orientations, motivations or interests in another manner.'* (Callon, 1986, p. 207).

As for the moment of problematization, it would be counterintuitive to suggest that their identities can be described or defined independent of the network, which may be the case in other sciences. Identities are instead found in a dynamic process which is only formed and adjusted in action. Interessement is therefore the set of events and actions set into motion by an entity or actor, that seeks to define and stabilize the identity of other actors found in the problematization, and those actor's response to said interaction. If successful, the other actors identified by the instigator are interested into the stated problem and courses of action, and thus interested into the OPP. This process comes

about through *trials of strength*, which defines the implicit power processes in which the identities are defined.

Key for this interessement is the use of *devices* which can effectively be placed between the identified actors and any other entities which would seek to impose another identity on actors within the problematization – effectively a stopgap which combats outside influences, defined so as they lie beyond the identified network or alliance according to the OPP. Callon (1986) exemplifies this; actor A interests actor B by placing devices which disassociates actor B from actors C, D and E. Consequently, the properties and identity of actor B is redefined or consolidated during the moment of interessement. The devices are the tools which lock actors into place according to the OPP, and can come of persuasion, force, and/or seduction. In other rare cases, the identity of actor B may simply coincide with that of actor A. In the case of the text, the interessement devices '*extend and materialize the hypothesis made by the researchers concerning the scallops and larvae*' (Callon, 1986, p. 209). If the interessement is successful, it then provides legitimacy and validity to the problematization and the alliance which it suggests. Summed up, interessement can be coined as the moment of creating the solutions needed to transform the identities of the actors, whether this entails introducing non-human actors such as documents, papers and calculations or human actions such as speeches and dialogue. The devices themselves are the elements on which the actors invest in and engage with.

**Enrolment:** Interessement is nevertheless not a guarantee that success is achieved and that an alliance is formed, which is the moment of enrolment. The roles defined and attributed are only accepted through a successful interessement, and then through a stream of multilateral negotiations, trials of strength and/or tricks in coordination with the interessement. To study and measure enrolment is therefore to study whether the identified actors follow the program – and herein their identified tasks and responsibilities in the defined network. For an actor to be embedded into a program of another, even if mutual interests are communicated, the occurrence of compromises and therefore also controversies take place (Callon, 1986). The implicated actors are expected to redefine their own goals towards the OPP, which requires negotiation or force.

Furthermore, actors deemed external to the alliance may intrude upon the triangle of interessement and interrupt the relationships with interessement towards differently defined identities

and roles. This is explicated in Callon's text; the researchers are actor A, they interest and try to enroll the scallop larvae which are actor B, alas predation and currents may interrupt this; making these actor C. The actor C is thus a threat to the enrollment and to the interessement device; the towline on which the larvae are encouraged to attach to.

Some actors may be enrolled without any trial of strength between identity refinement, such as the fishermen, which do not take up any discussion in relation to their goal and identities. They instead act as spectators, interested in the prospective long-term profit from possible cultivation of the scallops, and thereby assumed willing to disregard short-term profit stemming from exhausting the bay of scallops (Callon, 1986, p. 211-212). It hereby represents consent without discussion, opposing devices of seduction, transaction, and physical violence. Furthermore, it illustrates how intertwined the moment of interessement and enrollment can be, as negotiations and trials of strength assume that identities and roles both within and outside the program fluidly may change, calling for new and other devices to stabilize the implicated actors. Otherwise, the actors may break away from the OPP and pursue other motives, resulting in an anti-program.

**Mobilization:** The final moment centers on the moment that an actor and speak, act and represent on the behalf of the other identified and defined actors in the network. This is important, as the implicated actors per definition of the interessement and enrolment are singled out as individuals representing their own actor-networks. Callon exemplifies this; the scallops that do attach as an actor represent all the scallops of the bay, including those that do not (Callon, 1986, p. 214). The actors defined are representatives for their respective identities, roles and objectives.

Following a successful interessement and enrollment, the defined actors would be incited to mobilize and pursue the OPP, leading to an actual strategy implementation. The result is that they would be transformed into active supporters, and that the problematization succeeded in embedding the instigating actor into the defined network. But will the masses follow the program? Do the identified few individuals interested actually represent the masses, or is it only a claim?

The scallops are also an example of a non-human actor, of which is imposed a role as representing all the scallops of the bay. As they are incapable of human interaction, their involvement is rather made calculative in the effort to evaluate if more devices are needed and if they indeed do represent the masses. The question here is how many of them that do attach, which is then analyzed and

discussed in effort to determine if the results are significant. Consequently, the instigating actors (the researchers) debate whether they can legitimately speak on behalf of the scallops. In fact, this becomes the case of all the determined actors which follows from a successful interessement and enrolment; the researchers become spokespersons for the network in relation to the OPP, silencing the others through their meddling and mixing of the actors through intermediaries in the form of devices. *'A successful moment of mobilization renders following propositions credible and indisputable by forming alliances and acting as a unit of force (...) To mobilize, as the word indicates, is to render entities mobile which were not so beforehand'* (Callon, 1986, p. 216). The researchers are then equipped to represent the entities identities and wants, through displacement and reassembly in accordance with the OPP. It gives mobility to both the human and non-human actors implicated and allows for conveying their intentions and identities. Going full circle, the four moments of translation suggest that the *'social and natural reality is a result of the generalized negotiation about the representivity of the spokesmen'* (Callon, 1986, p. 218). The translation results in a constraining network of relationships, which lock in the identities, their wants, their roles and silences them. Subsequently, if unsuccessful, the state can be contested at any point of time and translation can be challenged, or as Callon refers to it; it can become treason (Callon, 1986).

Treason, or dissidence, concerns the legitimacy of claiming a spokesperson or intermediary is representative. Or as Callon (1986) puts it; *'Controversy is all the manifestations by which the representativity of the spokesman is questioned, discussed, negotiated, rejected, etc'* (Callon, 1986, p. 219). If this applies, the moment of mobilization comes into question. As a result, the moments of translation calls for refinement, and force in the form of interessement and enrollment will once again be necessary for mobilization. The controversy ends if closure can be ensured, and the spokesmen are deemed beyond questioning. The moments of translation is a process where the individual moments are often blended in reality, making it a process before it is a result. What is of note is however how the controversies among the defined actors, human as well as non-human reconfigure, displace and redefine themselves and others according to the OPP imposed and to their own motivations. This process may shift between helping and halting the program, despite any solid arguments for the identified OPP (Callon, 1986).

### 2.2.2 Purification

Purification is another string of literature within ANT and can guide us in examining how consultancy outputs are produced and circulated, and furthermore be used to shed light in their effects. The work of Christensen & Skærbæk (2010) investigates and presents purification and what that separates among several values into facts and things considered 'impure', as results of controversies among values. Latour (1993) elaborates that purification is an act of collective stabilization, the opposite of translation on claiming purity, independence, and expertise. It is about the 'pure' science that *'produces facts with reason and without politics or with a minimum of politics'* (Christensen & Skærbæk, 2010, p. 527). It thus delivers hard-to-oppose 'facts', which can stabilize the implementation of accounting change from ongoing controversies by silencing skeptics - at least temporarily. Reversely, translation is subjective and enables change. It is about dirty politics, a social and subjective dimension. However, purification can also stabilize the problematization within accounting change processes.

The act of purification is an active process that requires instruments, institutions, and specialized knowledge to establish a separation from impure concepts and values, a so-called purified zone of expertise, rendering it de-politicized and independent. This results in a scientific 'truth-claim', which is nature, separated from the social. These truth-claims are often established in relation to accounting change projects, rendering it a process of co-production with the network. The impact of the truth-claims is of interest, as economic sociology and ANT states that economic theory has more than a representational quality but can also have an instrumental quality which they can help to create the world which they reflect (Christensen & Skærbæk, 2010, p. 525). This performativity of economics represents the how non-human concepts like calculative devices can affect the human and social (Tryggestad, 2005). It is also here where the skepticism of scientific truth-claims originates, as the purification can help to advance the users own agendas. It can help to problematize the existing values within a network to enable accounting change, where involving consultants in the implementation has potential to advance the innovation and change (Hopwood, 2007). It is hereby dependent on the involved actor's know-how to produce the truth-claims within the context.

Literature on accounting change suggests that it is a possible outcome of mobilizing elements, which are multitudinous, diverse and uncertain, and incorporates already established accounting

knowledge in a way, so that it is created rather than determined (Hopwood, 1987). Returning our gaze to ANT, the performativity of consultancy projects are thus both a product of co-production with the complicated net of relationships of both human and non-human actors. In practice, the translation and purification phases are blended, as the purification acts as a subset to translation. The experts have a certain affiliation and are enrolled to help purifying the network by providing hard facts, not values, and present them so that they are hard to question. In extension, this implies that successful purification entails that the expert, in Callonian terms, silence the other actors embedded in the network, and instead speak on the behalf of others, thus transforming their identities in the relationship (Christensen & Skærbæk, 2010). This also means, that despite that purification are to be opposing translation, it is ultimately necessary for successful translation. It can funnel the interests of actors, and speed it up through its performative nature to help redefine the network.

External consultants adopt this purifying role. Being external to any controversies and having extensive know-how regarding accounting technologies, renders them a popular choice for stabilization. Their importance as agents of accounting change is evident in the 'accountinization' of the public sector, especially regarding accounting innovations such as 'new public management'. While the consultants are not always the mobilizing element, their role as enablers of accounting change is a subject for increasing debate. If accounting technologies are performative, and that change in this relation thus is created, then the consultants are change agents that are perceived to be 'fact-building' impartial actors of change, despite the fact that their enrollment is a conscious decision. Their expert claims purify values, while dejecting others as impure – thus embedding them deeply into change projects as a tool to problematize the current situation, so as to render accounting innovations operable. Their calculative inscription devices (models, spreadsheets, formulas, etc.) can bring forward the convincing nature of the observed, in a configuration which changes the implicated actors' roles. An example of such would be an audit report, an instrument of purification, which can reconfigure the actors and influence the trust in the organization (Strathern, 2006; Power, 1996, 2003;). Consultancy tools in themselves, is concerned with producing reports, briefings, seminars and such – making consultancies an institution that can be enrolled to participate in purification work, when the ongoing translations are disturbed, so as to transform opinions and statements into facts (Berglund & Werr, 2000, p. 653). But how is this 'truth-making', this purification conducted successfully? Latour (1987) explains that fact-making relies on mediators which *'transform,*

*translate, distort, and modify the meaning or the elements they are supposed to carry'* (Latour, 2005, p. 39 in Christensen & Skærbæk, 2010, p. 527). Consultancy reports are, like scientific publications, mediators based on scientific methods to purify. Their conclusions may still be up for questioning, but they will be difficult dispute once they are in circulation, essentially like a 'black-box'. Doing so would be to dispute the entire network. They thus suppress social conflict to attain stabilization.

Christensen & Skærbæk (2010) generalize five characteristics of purification: There must be an implicit controversy, wherein there must be at least two opposing ideas. The materialities herein must be able to be circulated in the network to secure purification. Successful purification will attribute identities that is acceptable to the implicated actors, in a way which that facilitates acceptance of the idea. And finally, purification will ultimately be temporal and impermanent. To investigate how these purification truth-claims are produced, and how they influence the thinking of their audiences such as a product of external consultants in co-production - we will have to regard the *conditions* for the establishment of the project. Then, we must observe how the *forms* of which the conclusions are drawn and from which tools. Then, we can investigate how these exhibits their influence on other actors as a *consequence* (Christensen & Skærbæk, 2010, p. 525).

**Conditions:** The first event of purification is the *specific conditions of purification*. What are the conditions for the enrollment of external consultants? What are the conditions on which purification may come from? One such necessary condition is controversy which the purification may, or may not, bring an end to. But where does the controversy originate from, and on what grounds could actors be persuaded?

**Forms:** This event refers to the forms of the implicit processes of how ideas are identified, defined, redefined or narrowed, then to be opposed against others in effort to find a path to identify the pure truth-claims. A classification of ideas and values into pure and impure concepts, 'black-boxing' the pure against further scrutiny. Powerful materialities can be used to yield purification, if they are co-produced with the network, and not just be a product of isolated agendas.

**Consequences:** The consequences of the processes of purification concerns whether these are successful in leading to a consensus on ideas, and fixing the identities in the network through its distribution of cognitions. How were the truth-claims circulated? Did skeptical non-consultants set out to perform new tactics and strategies due to acceptance/disapproval of them?



## 3 ANALYSIS

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### 3.1 PROLOGUE

The analysis investigates the usage of external consultancies and benchmarks for budget analyses in the Danish public sector and is based on a case study of the budget analysis of 2017 and implementation thereof in the DDF, in relation to the DDA of 2018-23. This political agreement was based on an underlying consultancy-led budget analysis, which indicated a possible yield of 991 mil. DKK. from budget cuts and effectivizations made to DDF (MoD, 2018a). Of note here is however that the effectivizations acted as motivation for politicians to raise DDF's overall budget annually, amounting up to an annual raise of 4.8 bil.dkk in 2023, as well as for covering for a lower-than-expected realized yield from the previous budget analysis of the DDA 2013-17, which similarly was based on consultant's conclusions. Both analyses are publicly referred to as 'the McKinsey-report', albeit only budget analysis in 2013 were conducted by McKinsey, a stalwart proponent of zero-based budgeting (Callaghan et al, 2014; Zimmerman, 2017, p. 241). The implementation of the previous analysis was however not overly successful, with the yields not fully realized, soaring employee turn-over rates and critique from the NAOD (NAOD, 2020a).

The recent budget analysis leading up to the DDA 2018-23 investigates leads by the previous consultants, while searching for additional potentials for effectivization through benchmarking. It had the goal of both correcting for the deficits from earlier and redistribute funding for new operating capabilities. This budget analysis was developed by consultants from Struense & Company alongside Boston Consulting Group, although it relied on participation by key personnel in task groups to evaluate risks and uncertainties to estimate potential subjects. Reading into the analysis, the stated goals herein was to raise effectivity of objectives and resources, and secondly to test for potential implementation of 'economies of scale' benefits. Furthermore, minimum required expected yields were stated beforehand, it was to find 1 bil.dkk. A primary tool herein was the use of benchmarking various facets of the DDF against other organizations, both private and public, both selected and from BCG's international benchmark database (B1; B2; B3, 2017). Following the budget analysis cut-backs, it was part of a DDA that ended up raising the DDF's budget.

Both budget analyses were enforced politically, spearheaded by consultants and were based on similar ideas. Nevertheless, the recent budget analysis is less critiqued and are suspected to be

easier to implement than the previous, despite the difference in either investigating if potentials could be found, or finding the less risky means for securing the yield. The most obvious reason for this may be that the recent DDA raises the DDF's budget overall, simultaneously with the cutbacks. That raise is however earmarked for new operational responsibilities and are criticized for being dwarfed by the previous budget cuts, especially since they do not alleviate existing tensions (HOD, 2017a & 2017b; Vinther, 2017; Thomsen, 2017). The cuts have also brought severe consequences concerning the centralization of HR and administration, and provided disappointing results following ill-thought-out privatization of certain functions.

In effort to ensure that the analysis was both a fair and true representation of DDF's reality and fully implementable this time, DDF were actively involved in sparring with the consultants on each optimization suggestion. As a consequence, each suggestion in the budget analysis was supported by a DDF report on both potential negative consequences as well as the feasibility of implementation. This involvement of DDF personnel and local specific knowledge was not previously emphasized. While this inclusion is generally praised by DDF leadership, they also question whether this served to make a difference, as the potential yields suggested by the consultants were seldom adjusted much following DDF input. The DDF do however have the option to correct for this through making cuts into untreated line-items in the budget. This participation may thus be the key to understand why there is indications of better implementation this time around.

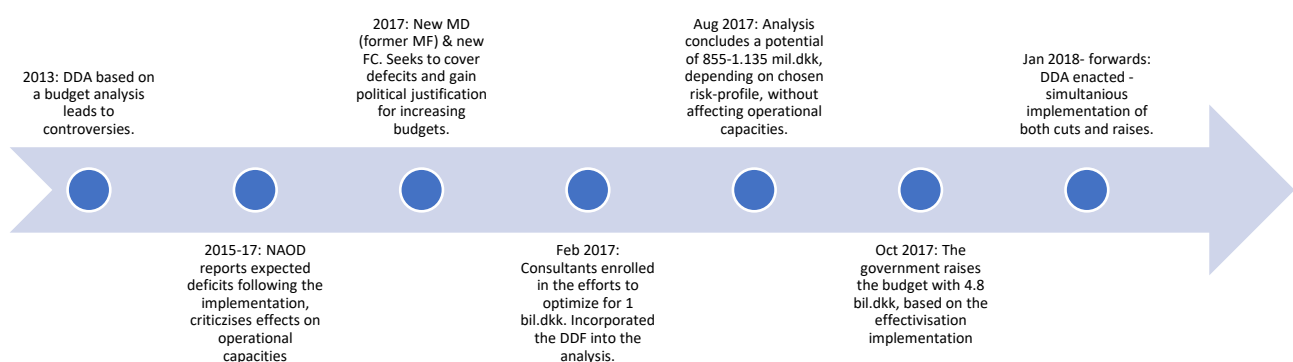


Table 1 - Timeline (own source)

## 3.2 PROBLEMATIZATION

The trend of 'accountingization' has been pervasive in the Danish Public sector through the recent decades. Herein lies a political wish to exercise control yet keep an arm's length to the various public sector organizations. Decentralization of decision rights coupled with framing legislations, guidelines and rules serve to remove politicians and officials from the everyday fulfillment of core objectives. Focusing on our chosen case, the recent budget analysis was the recent accounting change based on a cycle of four years. It will hereon be relevant to identify the problematization leading up to it, rather than trace the overall source. That which is of interest will thus be found in examining how the budget analysis originated. That is however hard to define, as several actors in the yet-to-be network reacts.

### 3.2.1 NAOD and MoF:

In 2015, the NAOD independently investigates the effectivizations imposed on the Ministry of Defense, following the DDA of 2013-17, releasing a statement in collaboration with the PAC (PAC, 2016, p. 7). One purpose herein was to ensure compliance with the initiatives of the DDA, the implementation of the 2,7 bil.dkk. budget cuts in 2017. This was to be realized without negatively affecting the operating capacities of the DDF. These possible yields were identified by consultants in a budget analyses leading up to the DDA, and were a subject of much controversy (Christensen et al. 2019; Appendix I1-I7).

Several motives for this investigation can be identified. First of all, the MoD have had turbulency on the ministerial front, with four different MD's in the period between the point of investigation and the implementation of the DDA in 2013 (PAC, 2016, p. 6). The MoD got a new minister a month after the release of the investigation, the former MF<sup>5</sup> (Frederiksen, 2019). The new MD's role as an actor becomes interesting, where the financial background forms his identity.

A second objective of the investigation was an observed failure to reduce the costs of acquisitions in 2013-14, where the reduction were realized in 2015, but due to a reduction in storage. This results a deficit of 225 mil.dkk, to be realized in the period 2016-17 instead. PAC and NAOD finds it disappointing, criticizing the lack of controlling to ensure that the effectivizations were implemented. Furthermore, they criticize that the MD cannot ensure that the effectivizations will not reduce

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<sup>5</sup> Minister of Finance

operating capabilities, as the spending on materials are linked with spill-overs from budget cutbacks on educational programmes. Another issue is taken with the financing of 27 new F-35 fighter planes, whereas NAOD, PAC and MoF finds that it cannot be financed wholly because of the unrealized effectivization yields (PAC, 2016, p. 4; PAC, 2017, p. 4).

The investigation concluded that the DDF would not realize the expected yields before the end of 2017, and therefore not secure long-term funding. And that cost reductions made by the MOD has affected their access to materials, with negative effects on operational education and (NAOD, 2019, p. 2), which were circulated to both the Ministries of Defense and Finance.

The MD argued that the operating capacities used for the NAOD's analysis were not in fact hampered (MoD, 2018b), but it was hard to rebuff the financial arguments. Therefore, the MD would evaluate additional actions which could ensure accountings control in the MoD and the DDF, such as refinement of the economical frame through more transparent linkage of costs and cost drivers (NAOD, 2018, p. 2-4).

At the end of the DDA of 2013-17, the DDF and Ministry of Defense had realized a yield of 2.428 mil.dkk out of the 2,7 bil.dkk (adjusted to 2013 prices). The MoD had reported that 60-85 mio.dkk of this deficit were especially resistant due to long-term structural challenges, whereas the remainder of the deficit is implied to be salvageable through tighter control. The NAOD could not effectively refute the claims of the MD, concluding that they could not prove that the effectivizations had not reduced operating capacities (NAOD, 2019, pp. 3-4). Nevertheless, the NAOD did initiate a separate inquiry in 2017, finding several examples; 2 out of 3 Danish Frigates did not have the materials, equipment nor technical staffing to operate as expected in 2016-17 (I1, p. 24), and that for the majority of 2016-17 the DDF had not managed to have the expected number of tanks ready for deployment, due to lacking or slow maintenance (NAOD, 2017, p. 8).

The NAOD and PAC established themselves as proponents of increasing 'accountingization' in the DDF, through problematizing the abilities of MoD, calling for additional financing to cover for the deficits (NAOD, 2018, p. 5). The PAC added on to this, stating that the acquisition prices of the planes did not reflect the implicit risks and uncertainties, nor did the calculated cost drivers. The result would be an increased difficulty for the DDF to self-finance the planes (PAC, 2017, pp. 4). These additional costs would have to be implemented into the coming DDA (NAOD, 2019, p. 2).

NAOD and the PAC takes this role, as it is their stated goal as the public sector auditors to ensure effective utilization of public sector resources, and in the politically intended way (NAOD, 2020b). Auditing are regarded as a central component to the evaluation of cost-benefit analysis and budgeting of the public sector (MoF, 1983), wherein the NAOD have historically acted proactively to 'modernize' the public sector. In this case, the previous DDA and budget analysis by Mckinsey has defined the 2,7 bil.dkk as unproductive costs which should be reinvested instead, giving an ample reason and/or purification of the NAOD and PAC's involvement. This role can however be questioned, as the MoF along with the NAOD, have had an active role in reducing the various public sector organizations internal auditing.

### 3.2.2 New MD – Finance 'modernizer':

Changing governments and a string of scandals involving former MD's had resulted in the fifth MoD at the time of NAOD's and PAC's problematization. This actor represents the political element, herein both the government, the MoF and the MoD. The new minister had several years of experience as the MF, but was open about his lack of insight into matters of defense - He had of feigning to be an expert. This acknowledgement became the foundation for forming a partnership with the new FC on the coming budget analysis (Krog, 2020).

The government at the time were on political goals, one of which were to significantly strengthen the DDF (Thomsen, 2017). Denmark had pledged to NATO that they would raise military spending to 2% of the GNP in year 2024. At this point in time, the spending was at 23 bil.dkk, which equates to 1,17% of the GNP. It would therefore require an additional annual investment of at least 17 bil.dkk to both live up to the pledge (Ritzau, 2017a). This issue has a few political implications. Raising the DDF's budget are not an attractive political subject, compared to other sectors with more public attention. Political support is thus more challenging to secure, as the public do not witness the consequences of the appropriateness in the funding.

In the period of 2010-15, political census had reduced the DDF's budget while the GNP had risen, worsening the GNP-ratio. The political climate had a focus on effectivizations and reductions on public sector spending, evident in both the Danish Tax Authorities and the health care sector (Ahrens, 2017). All parts of the public sector were scrutinized. The main motor were reinvestments, a theme which would also be applied to the DDF (Ahrens, 2017). This hindered raising, or even doubling the budget of DDF, despite NATO pledges.

This places the MD in a tough position. Living up to the pledge of 2% of GNP were unlikely before 2025 at the earliest (Ritzau, 2017a). It was a political goal, but that does not ensure that the funding can be found. The NAOD informed him of lacking yields in the DDF, and resulting lack of funding. They stated that the MoD has failed to implement appropriate control. The DDA of 2013-17 has not been fully implemented. The MD would thus have to evaluate; should we raise the budget if there are indications of inefficient control?

The challenge instigated a strategy, which could solve the problems revealed by the NAOD, while also provide legitimacy to raising the budget, through a project to find 1 bil.dkk within the DDF to reinvest. The finances had to be ensured, much like what was the *raison d'être* for the earlier McKinsey report (I6, p. 16). The major difference is however that the MD defined 1 bil.dkk as the goal: *'I think it is relevant to set a goal. If you have to ask some people to analyze something, it will not just be enough to tell them 'Can you look around after something?''* (Ahrens, 2017, l. 23-25). While presented as if it was grasped out of thin air, it was akin to the total deficit which the DDF would carry into the next DDA period, 840 mil.dkk (Vinther, 2017). The inception of this specific baseline as a goal was hinted in the responses to NAOD's criticisms, where it was expressed that the MoD would establish a goal (meaning the DDA of 2017-) (PAC, 2016). It could hereby almost be described as retrograde budgeting.

The core idea here was to solve the problems with restructuring. The previous budget analysis by McKinsey had some suggestions which were not employed, as they needed further analysis or that the risks and uncertainties were too great for the potential yield. But that could be reevaluated (I4, p. 9; Vinther, 2017). The previous consultancy-analysis thus provided inspiration for the next, and the deficits in the budget were expressed as due to lack of controlling, not to incomplete or imprecise calculations.

The end goal would be to politically negotiate a larger budget for the MoD (Ritzau, 2017b) the coming DDA negotiations in 2018-2022. The issues however had to be through MoD's own funding, as it would be politically detrimental to either 'waste' political goodwill to fund the deficit, and also an argument for it being a bad investment per NAOD's criticisms. At the same time, it was an opportunity for acting as a modernizer of the DDF; it would be a political victory to ensure value-for-money. It would also be a strong political argument for easing budget negotiations. And as the funds

found were to be reinvested (Ahrens, 2017), they would in essence cover their own deficits. It would be rational to find out if they have unused capacities (I1, p. 12), and an easy sell for politicians (I4, p. 12).

The MD stated on the demands from NATO; *'... I believe out of principle, that you should pay your subscription for any establishments you are part of.'* (Ritzau, 2017, l. 16-17). This implies a commitment to adhering to the GNP-ratio pledge, even if he states that funding is unlikely. His ministerial background from the MoF thus offers insight on how the idea for the coming analysis originated: *'No money is removed from the DDF. But it is the duty of all public institutions, the state, the municipalities, and the regions, to ensure that the taxpayer's money are administrated the best possible way'* (Ahrens, 2017, l. 5-7). Knowing of the deficiencies may be one motivator, but seeking to be a modernizer is another - a trend increasingly common among politicians in their usage of reforms (Winther, 2020). This deemphasizes any complaints from the organization in question – if they disagree with the cuts, *'Then my past as a former minister of finance wins. You can always do things better and more effective'* (Ahrens, 2017, l. 15-16).

### 3.2.3 The DDF – Politics, budgets, and capacities:

The DDF is in a rough state following the former budget analysis. As the reports from the NAOD, indicate, the deficits from the implementation will make it difficult to fund the mandated capacities.

While the MD did argue against the calculations made by NAOD regarding their fulfillment of capacities, where some were in fact satisfied, and others were negatively impacted by cuts in training and education. Some of NAOD's conclusions were unnuanced, or at least debatable due to technicalities. The NAOD concluded that the DDF had not managed to have enough battle-ready tanks, as they were used for education. It did not affect the capacity however, as these were handled at the same location. The DDF just did not have the capacity to both educate and be ready at the same time (MoD, 2018b, p. 4-5). This example illustrates the craftiness employed by DDF leadership to adapt to both the implemented budget cuts and to satisfy the capacities.

At the time where NAOD had started to convey the problems of the DDF, a new chief commander<sup>6</sup> of the DDF were appointed. He had a longstanding track record with the MoD and DDF, herein counting positions as a case officer in MoD, a position as Chief of Staff in the DDF Command and as

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<sup>6</sup> FC onwards

head of concern in the MoD (Lind, 2016; Krog, 2020). This background means that he has had experience in the political matters of both the MoD and the DDF. The choice of him was criticized by the unions, as he had less experience in matters of operation and personnel (Lind, 2016). However, his former positions embedded him into the implementation of previous DDA's prior to the one investigated in this thesis (Vilstrup, 2020). His experience with McKinsey-reports, budget cuts and spreadsheet management are feared (Lind, 2016).

One of his key concerns was the worsening recruitment and employee-turnover (Lind, 2016). These had grown out of control since the effectivizations of 2,7 bil.dkk, leading a deficit of key personnel, herein officers, soldiers, and technical staff (I1, p. 18). The tightened budget had brought spill-overs, although other societal developments were likely contributors as well (I1; I5, p4). Young officers had an increasing tendency to have spouses with an academic background, making them even less mobile as they earned four times their salary (HOD, 2017c, p. 8). In this case, this may be an adverse combination with the administrative centering of the DDF in Jutland following the DDA in 2013 (I1, p. 6-7).

Another concern was the long-term financial planning (I7, p. 8). The DDA's frame the capacities that the DDF are to fulfil and are typically renegotiated every four years. It is received by the DDF, which with specialist's find the financial and operational requirements. The DDF thus combines the political wishes, the specialist knowledge as well as the personnel- and NATO situation (I7, p. 5). The DDA can dramatically alter the capacities, and hereby costs with the areas of material, equipment, and personnel, and the DDF is therefore geared to be flexible and adaptable to frequent and at certain times irrational political changes (I3, p. 6).

In the passing decade, the costs of fulfilling the capacities have grown exponentially. Especially concerning technology, which is rapidly obsolete. The DDF command operate with political 4-year plans, but has to incorporate them into long-term planning themselves, herein 15-years and 30-year plans. A VFK respondent exemplifies that it takes a period of 10 years to plan, design and build frigates according to political/technological circumstances, and has a planned obsolescence of 30 years. The DDF must thus have secured the financing 10 years ahead (I7, p1). Rapid developments have necessitated frequent and expensive reinvestments to live up to the political demands. Adding on to this has been issues with establishing the finances for the new F-35 fighter planes, which the politicians



decided on buying with DDF financing (Lind, 2017). These plans also showed a long-term deficit of 1,5 bil.dkk to fund arctic capacities (I1, p. 12).

DDF operates with readiness as a governing principle, meaning that they need both material and financial 'fat' to rapidly adjust for political demands, naturally resulting in ineffective costs. The previous DDA reduced this 'fat', resulting in the need financial 'fire-fighting' within the DDF. The DDF long-term financing thus showed coming deficits, especially on the 15-year plans (I7, p. 7-9).

They needed more financing to live up to the political expectations, and cannot finance it by shutting down other capacities, as these are politically forced. Furthermore, the FC has limited control over the DDF, with some decision rights being distributed to agencies, which have their own KPI's – they are not evaluated on the capacities of the DDF (Krog, 2020; I1, p. 11; I4, p. 14). The result is that the areas of personnel and material is not directly under the FC's control.

The implications to their financial situation thus warrant help from other actors to adjust the budgets and capacities, as they have limited decision rights due to the relative power of the politicians and the agencies (I2, p. 4).

#### 3.2.4 The Unions and personnel:

The DDF has various unions for the different personnel groups, herein the HOD for officers, HKKF for soldiers/sergeants and FLO for technicians. These are seen herein as an actor-force, or network, comprising of both the personnel and the unions themselves. The unions do not have much decision power, they operate with influencing the politics and management of the DDF. As an actor, they are a link between actors, both the politicians and personnel. They have negotiating power on collective bargaining agreements and in legal cases, such as the lawsuit led by HKKF against a former FC, due to breaches in work-environment regulations following the previous DDA cutbacks (I2, p. 10).

They are concerned over the spill-overs from the budget analysis in the DDA 2013-17 and hope that the coming DDA would rectify this, or at least be of a higher quality. They suspect that the budgeting issues experienced are the primary reason behind problems of recruitment and employee turnover (I1, p. 8-9; I2, p. 1-5). Examples hereon are soldiers sent on dessert missions without appropriate boots, not enough protective vests and only a third of the helmets of the safest type. Naturally, this is offensive to the unions, which do not see the economic frame as appropriate excuse for endangering their members (I2, p. 8). They considered the new FC as overly political, and less suited

for complying with their interests, despite his stated intentions (Lind, 2016). Once the negotiations for the coming DDA were announced, the officers' union, HOD; campaigned for an emphasized focus on the employment issues, hoping that political actors would listen (HOD, 2017b)

The area of personnel was likewise of concern to the NAOD, but their reports did not fully convey the problem. *'It was fortunate for DDF that the investigation did not look into the army, because that would have provided a worse picture than the Airforce and Navy (I1, p. 24).* The unions see this as a major area for future improvement (HOD, 2017b), but acknowledge that it would likely require additional funding, or an abolishment of the previous DDA - which they are unlikely to receive if the DDF cannot display control over costs. They are likewise concerned that the coming DDA will once again be based on a consultancy-led budget analysis, as the potentials concluded tend to be a span, allowing the politicians to be overly optimistic. They therefore suggest their involvement in the process, as they see the over-flows as being results of exclusion of the unions in the analytical work (Vinther, 2017). The FC consequently promised to include the unions in the analyses (I4, p. 14).

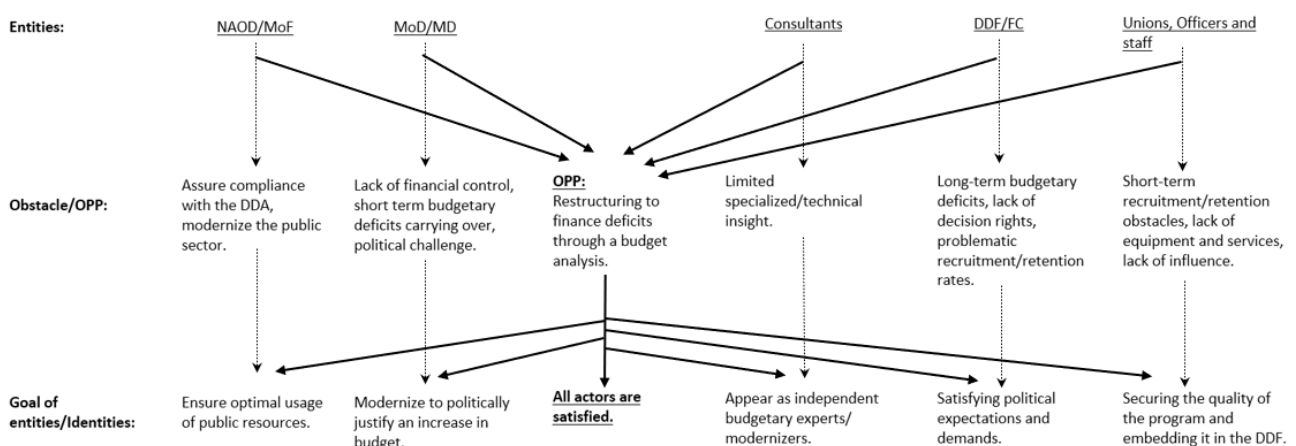
### 3.2.5 The Obligatory Point of Passage:

The problematization unveils a possible *'system of alliances'*, a possible network of which they through the OPP could get their own needs satisfied. This is sought illustrated in a OPP model (table 2). The NAOD/MoF instigates the problematization, bringing political attention to dissatisfying economic circumstances, stating that it is an issue of inappropriate control and management, while The MD aspires to adhere to the governments pledged (Ahrens, 2017). That is motivation is hindered by the NAOD reports which are counterproductive to political negotiations. In addition, some of the deficit is due to long-term structural issues, not a result of bad management. The political actor would therefore increase the chance of success by 'modernizing' the DDF - restructuring to cover for the deficits and to ensure better control, in the hopes of gaining political legitimacy.

The DDF are concerned with the consequences of the previous DDA, resulting in worsened recruitment and retainment. They cannot operate to the political mandate with a lack of personnel (I1, pp. 20-21). But of equal concern are the long-term budgetary deficits, which the current framing prevents them from adjusting for. They have to satisfy the requirements of politicians, even if that definition is flawed or unfinanced (I7, pp. 2). Certain obstructions to adapting exist, in which political actors will have be enrolled in. The unions believe that certain issues stem from an unnuanced DDA,

and are frustrated with their lack of involvement and influence. Their primary interest is the well-being of their members, a situation they hope to improve through influence.

In response to these problematizations, the government orders a consultancy-led budget analysis to find financing within the DDF, to be reinvested into the operative departments. In essence, it were to be a budgetary restructuring to find financing for deficits, adjust capacities outside of the ability of the DDF, modernize the DDF, ensure proper control, and do so by involving the unions/personnel in ensuring the quality of the output. In the end, these criteria would hopefully act as political justification for raising the budget of the DDF/MoD.



Abbreviations: NAOD: National Auditors of Denmark. MoF: Ministry of Finance. MoD: Ministry of Defense. MD: Minister of Defense. DDF: Danish Defense Force. FC: Commander of the DDF.

Table 2 - OPP (own creation)

### 3.3 INTERESSEMENT

#### 3.3.1 The budget analysis:

The result of the problematization was adding consultants from Boston Consulting Groups as well as Struense & Co. to conduct a budget analysis. They were intended lead an accounting change project, which were intended to satisfy the needs of the identified actors and wants in the 'alliance'. Consequently, the actors were attributed common interests, but it does not guarantee that the identified actors, personalities, and motivations see it themselves, or that they subsequently submit to the program. Would they seek to identify themselves or another differently?

The analysis (Appendix B1) had its purposes set by the MoF and MoD: it was to '*ensure an optimized and effective fulfillment of the DDF's objectives.*' Furthermore, it was to '*1: propose subjects for effectiveness that can ensure a more effective utilization of resources and fulfillment of objectives.*'

*& '2: to chart the linkages between objectives and economy, indicating the effects economic of an eventual scaling of the current solution of objectives and capacities' (B1, p. 3).*

The budget analysis was more specifically directed to find effectivizations of a predefined value, in predefined areas of the DDF. It was expected that they would find at least 600 mil.dkk. on operations, i.e. the core objective, such as training of combatants, territorial readiness and defense. This were to be done without affecting the quality of output, only the costs. The consultants are additionally directed to find a minimum of 250 mil.dkk on the supportive functions; material and IT, through examining whether it could be scaled and organized in a economically. Lastly, they were to find 100 mil.dkk by analyzing administrative processes and cross-divisional management practices. In total, the budget analysis was to find at the very least 950 mil.dkk in potential yields from effectivization.

In extension of the above purposes of the budget analysis, the analysis should chart the financial and economical relationships within objectives and capacities, with the purpose of evaluating potential adjustments to the operational capacities, and the degree of which adjustments would alter the DDF's ability to satisfy the political demand. It would investigate the cost-drivers and evaluate cost-benefit relationships, so that the objectives of the DDF could be reconfigured optimally. The results of the budget analysis were to be based on gathered data, observations, interviews and on professional and technical evaluations by the DDF.

The analysis would be overseen by a program committee, with representation from the MoD, the MoF, the VFK and DDF's material- & acquisitions agency<sup>7</sup>, which would make the executive decisions. Each segment of the analysis would likewise be embedded into four sub-committees (B1, p. 5)

- The segment 1 - operations analysis, consists of the FC, MoD, and the DDF branches<sup>8</sup> (B1, p. 7)
- The segment 2 - supporting materials & IT analysis, consisting of FMI, MoF and the MoD.
- The segment 3 - administration and processes, consisting of the MD, MoF, VFK, MoD's accounting agency<sup>9</sup>, FMI, and the MoD's personnel agency (B1, p. 4).

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<sup>7</sup> FMI onward

<sup>8</sup> The navy, the army and the airforce

<sup>9</sup> FRS onwards

- The segment 4 - economic and operational linkages, consisting of the FC, MoD, MoF and the FMI (B1, p. 5).

The committees were to manage their respective segments and had the executive decision rights on guiding the analytical process towards securing the targeted yields. They would likewise have junior consultancy-led project-groups, responsible for the development of the sub-analyses, and for ensuring the quality of the analytical work by including key personnel from the DDF when possible. This means that the analysis was intended to be carried out by the consultants in collaboration with the DDF, allowing for the inclusion of technical and specific knowledge otherwise unavailable to the consultants. For any decisions to be made concerning effectivizations, an implementation plan was required, further requiring this insight. Consequently, the inner workings of the budget analysis would embed officers and other key personnel in all subjects within the analysis (I2, p. 13), establishing them within a program in a spot where they were expected to produce and circulate the inscriptions which would lock them into place.

The analysis would be conducted in the period between mid-February to mid- August. It had a preliminary phase, where the three areas for effectivization were investigated to form effectivization-hypotheses, which were consequently subject to a 'deep-dive' phase, wherein further analysis would elaborate on and explore the potential. The fourth committee would develop a methodological approach for mapping the relationships between cost and capacities (B1, p. 5).

What is however not implied in the budget analysis were the inclusion of the DDF related unions in a separate taskforce with the FC (I4, p. 8), wherein they could make their arguments on the analysis. This inclusion allowed the unions to contribute to both ensuring the quality of the budget analysis, and further to embed the officers, soldiers, and personnel into the translation process. The unions would then base and substantiate their arguments on qualitative data from their members. Consequently, the FC locked in the unions through including them and their inscriptions, separately from the analysis. This inclusion was a hidden pathway for the unions and the otherwise excluded personnel to affect the network identified in the DDA program, and demonstrates the weight of critique their exclusion from earlier adoption garnered - such as the Mckinsey report (I3, p. 13).

Regarding the budget inquiry as a program, it was structurally designed to direct the identified actors and their identities. The most fundamental device hereon would be the relationship between

the MD/MoD and the FC. If the political order is to find 1 bil.dkk, then the FC must do so. It is a fundamental part of the command structure and hierarchy (I6, P. 19). This also suggests that should the FC refuse to comply; he will simply be replaced (I4, p. 14; I1, p. 15). That is a matter of political discretion (Krog, 2020). The core premise of the DDF is to be adaptable to frequent political changes (I1, p. 5-6) which can fundamentally redefine the core objective:

*'If we take some of the biggest DDA's, where we go from territorial defense to an activist foreign policy, as an example. If we compare that with a private company, it would be as if the organization gets a new product and a new market, and must reorganize themselves in a wholly new configuration to be successful (...) At the same time, we simultaneously had to implement rounds of budget cuts. How many other organizations could do that? (..) If they must, it will take 10, 15 or 20 years to change course. In the DDF, we have 4 years – we have the course of the DDA.'* (I3, p. 5-6).

Consequently, should a DDA that is based on budget cuts be implemented, the DDF will have to act fast to maximize the ease of implementation, as these are of cyclical nature. The officers are therefore prepared and trained to possess a certain culture which mandates that once political decisions are made, any debate must be suspended on the behalf of implementation (I3, p. 15; I5, p. 1). In the case of layoffs, the sooner they go to work, the less people they must dismiss (I3, p. 15), a budgetary effect applying widely across the implicated line-items. The DDA will already have subtracted the funds from that line-item at the start (Appendix I7, p. 8-9).

The DDA itself, along with any underlying budget analysis are thus inscription devices, albeit with a ritualistic effect which is imprinted on the officers. Through circulation, it locks in actors within a defined space, embedding them in the translation process. It is circulated throughout the DDF as written implementation plans and the like, through the hierarchy as one-way lines of communication, which is a premise of their organization (I6, p. 20), and locks in actors to act swiftly. They are herein isolated from other actors in the DDF, as the DDA would otherwise be too comprehensive of a device for them to concern themselves with the happenings of other actors. The implicit culture in the OPP-defined group has developed specifically to help translation processes like this (I6, p. 11)

*'When some message comes down through the system, then there is no need to explain the guys in Varde about what is going on in Frederikshavn – that does not matter to them. But they get the communication that belongs down the line to the organization (...) They may not like the explanation, but they get it, and that this is the future frame for action, and they work based on that'* (I1, P. 16).

Looking away from the implicit effects of the DDA itself as an inscription, a handful of other interessement devices are apparent from the introductory stages of the budget analysis. First of all, the structural relationship within the analysis includes the FC and various branches or agencies within the DDF. Herein are other actors excluded, such as the unions. These have formed a 'rogue' group with the FC, wherein they hope to influence the conclusions of the analysis. Most of the excluded actors at this level are however included in either the sub-groups beneath the commissions, or in the data extracted for the analysis. Should actors from the project group try to interfere with the committee through a counterprogram, they must go through the consultants which oversee and guide the group. The consultant's role in the budget analysis serves to isolate the leadership of the DDF from other actors, by filtering the inscriptions travelling upwards in the program (I7, p. 9).

Another interessement device is related to the structuring of the DDF, wherein they are frequently subject to politically initiated restructuring, linking 'business-as-usual' with rapid changes and living up to political wishes. The culture among officers are over time refined to handle these changes, despite having separate interest. As thus, the circulation of the inscriptions they are themselves embedded in making and circulating (I1, p. 11), locks them into a position wherein enrolment and mobilization is more likely.

### 3.3.2 The consultants' roles and devices:

We will now look upon how the interessement was set up to instigate certain roles, and how some of the inscriptions herein blurs the lines of interessement and enrollment by demonstrating how this budget analysis acts as an inscription designed to produce certain results from enrollment, which diminishes the value from these actors participation.

The consultants were to facilitate the project groups, and administer what inscriptions were to be passed on to the above committees. The consultants were appointed to make the overall frame of the work, which were done with inscriptions such as templates, which were meant to standardize the process. They were also to assist the DDF's analytical work with sparring and debate. The project groups would belong to segments with high-ranking officers in charge, along with the consultants,

representatives from relevant DDF agencies and the agency for modernization<sup>10</sup>. Herein would the different analyses were presented for feedback, discussion, and suggestions (I3, p. 4).

It is herein implied that the program had the consultants lock in the other actors through inscriptions which defined the frames of the involved actors participation, and hereon also the outcome. The template (E1; I3, p. 16) illustrates how each effectivization suggestions came to be formatted for the budget analysis. The suggestions were to include within the template:

- A baseline in mil.dkk based on man-years.
- A potential yield, without corrections for overlap.
- A short description, whereas a detailed explanation would be presented in separate documents (In depth in Appendix B2 or B3).
- A comparatively much smaller description of risks and consequences based on input from VFK, FMN or other involved actors.
- Conditions for actualize the yield.
- A small pie-chart figure indicating ease of realization on a scale from 1-4.
- Overlaps with other suggestions, and corrections if relevant.
- A short overview of the inscriptions which the suggestion is based on.

Outside of how the analyses and the debate would come to affect the program, this inscription was a powerful tool to convey exact identities and roles within the program. The general presentation made by the consultants were that the DDF were to produce the analysis with only slight assistance from the consultants, a 90 vs. 10 % relationship (I6, P. 15). While it was technically encouraged that DDF personnel involved also provided suggestions, whether they initiated an investigation or were an alternative, it is still subject to the consultants (Appendix, I3)

It is here that the distinction between interessement and enrollment blurs. The template inscription would only allocate a small section to the of the DDF's work on risks and consequences. Therefore, while the inclusion served to interessement, it also pre-defined the outcome of enrollment. The budget analysis was to be short and concise, ending up as 190 pages (Appendix B1). Adding onto here that the underlying analytical material were separated into two other inscriptions, consisting of respectively 405 and 482 pages (Appendix B2; B3), which would incorporate more of the DDF's underlying work. This structure served to lock the consultants and the DDF personnel into the

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<sup>10</sup> A department of the MoF, has since changed its name name to 'The agency for public finance and management' (*in Danish, Moderniseringsstyrelsen, now Økonomistyrrelsen*).



relationships defined in the OPP – the DDF personnel would get influence over the analytical work, but the consultants would be the modernizers that brought the report to the commissions and politicians. Would the politicians and officials, or even the government, read into the separate documents of the coming DDA? Would consequences and risks seem important and of note, when its elaboration was isolated separately from the consultant's primary report? It ultimately seems unlikely, as when the final inscription was delivered to the politicians, it was in the form of a 15-page extract, leaving even less room for a description of the +1000 pages, and the inscriptions within small brackets made by the DDF on risks and consequences (I1, p. 13). The inclusion of the DDF personnel in the analysis, were to make sure that the program would be able to mobilize the expected yield, herein that the suggestions were implementable and that they would not negatively affect the quality of operations, through the inclusion of their specific and non-generalized knowledge. The fact that this device seems to deemphasized as soon as it is to be evaluated by other actors, suggests that the device was also designed to communicate the consultants as leaders of the analysis.

This point is supported by how the budget analysis program was setup to validate and legitimize the individual suggestions, once the DDF had made the analytical work and made their inquiries. Each project group have had the responsibility of ensuring the solidity of their conclusions, by asking the right questions, and looking through the analysis they or the consultants made (B1, p. 7). The FC would also include the unions into this position, where they would be critical of the work, asking for the analyses – if they were allowed to get them (I1, p. 13). But the consultants were to ensure the quality in the calculations and the economy, through a separate task group. This would be done through gradual adjustments of estimated potentials till they were deemed valid and then consolidated (B1, p. 7). These adjustments would be based on the DDF's work and economic theory and databases at the consultant's leisure.

This can be seen as a further device to classify the role of the consultants and the DDF respectively. The DDF's assessments were deemed important enough to be debated in project groups with consultants, and would this result in necessary adjustments, they were to be send onwards in the program. It was meant to influence the prioritization of the suggestions, based on whether the risks were worth the yield (I3, p. 17). However, the individual teams could not adjust the potential or expected yields based on the dialogue and consensus, as it was a separate team's responsibility to

do so based on reports of the consensus – they would not participate directly in the debate. They would read the outcomes of the project groups and evaluate whether to adjust their economical expert conclusions.

This implies that certain devices lock these identified actors into positions, where one actors' output is implied to be fundamental for the implementation of the analysis, but it is however very difficult for these to influence the actual outcome – they are not placed in a relative position wherein they can participate in trials. Furthermore, this power-relationship has one actor in a position wherein they can define what is circulated to the politicians and officials embedded in the network, and the other cannot.

What is however found especially interesting is the methods and devices of which they utilized to produce the analysis. The budget analysis was presented as a means to identify and reallocate funds for planning purposes. For this, the consultants used various methods and tools from economic theory, which would act as a basis for the potentials that the DDF were to investigate. One such means to identify potentials were *benchmarking*, as much of a buzzword as the primary tool. Herein the subject in question would be compared that of other organizations, on subjects such as *Span of control*, *KPI's*, Costs drivers etc. These would either be comparable organizations with a similar structure, capacity or operation, such as the British-, Norwegian- or German Defense Force's (I7, p. 8), other Danish public sector organization, or the benchmark could simply be the top percentages of an international database of earlier clients. As a comparative analysis, it would serve as a *attention-directing analysis*, wherein it would call attention to budgetary variances based on comparative inscriptions. These would enforce the DDF actors to debate the comparison, evaluate their performance, and identify what could be replicated – locking them into a position wherein they were to support the consultant's inquiry.

Such a benchmark was utilized to embed the personnel from the materials- and logistics department into the program (B2, p. 318f). In this example, the benchmarks would stem from >100 clients within a period of 3 years, all specialized within the field of maintenance. The top percentages of these were to represent the best practice approach. The consultants notes that for organizations which primary objective is not maintenance, implementing the 'best practices' within this database usually yields savings of 20-25%. To this is added certain other analytical benchmarks, where they here add

on potentials from benchmarks stemming from LEAN-organizations. They here benchmark the DDF maintenance departments against an unnamed North American company with >500 affiliate maintenance departments, suggesting that this 'best-practice' can provide effectivization yield of an additional 10-12%, which can be added onto the potential.

This example demonstrates how these benchmarks acted as devices which quite rapidly came to suggest large potential savings, based on comparisons with unnamed and quite likely much different organizations compared to the DDF. The project groups with responsibility for this segment here would be presented with inscriptions proclaiming potential yields ranging from 30-37%, based on two separate 'best-practices' benchmarks. We will analyze on what exactly came to happen in this case later, but these percentages were not adopted as an expected yield. Incompatible or not, the inscriptions were to lock in the actors into trials of strength, ensuring their involvement, at least for the time being.

As basis for selecting what to benchmark against, the consultants would extract data from the data systems (SAP), herein called DeMars (I7, pp. 7-9). This is essentially the DDF's performance measurement system, which adoption are traced to NPM, and are a product of the NAOD' and the MoF's modernization. It is found to function as a device in of its own, to lock in DDF's officers into an accounting's management role, rather than their historical role as warriors. The data on the operations of DDF within is however extremely extensive (2500-3000 time-based costs), underexplained and requires a high level of understanding to make use of (I1, p. 8). The system is described as outdated by key personnel in the VFK, and generally much too difficult to extract data from for budgetary purposes, even internally, as you would need to know and understand all the foundational factors implied within the data (I7, pp. 8-9). The DDF is in many ways a 'closed' organization, heavily influenced by the fact that they employ, educate, and train their own personnel. The result has been an internal 'network' with its own common language, only internally understood. This reflects on the data found within DeMars. You would need specialized insight to extract any data and simultaneously explain implicit uncertainties properly. It is however not seen as a problem for daily operations, as the personnel have the required experience and insight. The extracted data is however troublesome when external actors aim to use it for analytical purposes. When the implicated uncertainties and risks are not described, the conclusions will not reflect realistic yields from effectivization.

This factor can be regarded as a main motivator for the identified and attributed positions and identities of DDF personnel in the OPP. DeMars are set up to be a accountings management system, a device keeping the DDF perpetually 'modernized'. It is however not powerful enough as an interessement device to lock in the DDF, which results in it becoming an underutilized, outdated and underexplained. It is a toll for political compliance. As a result, earlier analyses that did not try to correct this would end up off target. And if not, it would mean that great effort has been extolled to realize the yield. Nevertheless, this also helps to explain a key difference between this and previous budget analyses, as this case embeds key personnel in the analytical roles. The DDF unions and personnel wished for influence, which could help to embed them and hopefully mobilize them through heightened analytical quality. The newly appointed MD refused to claim being an expert in the matters of the DDF and MoD, unlike politicians before him, he was a finance expert. As such, he chose to rely dually on the FC and consultants (Krog, 2020), which consequently allowed them to embed both the unions and the personnel.

Subsequently, the consultants may have seen the embedding of DDF actors as beneficial to help them demonstrate themselves as experts, despite possible interference with their goal. This implicit network of relations influenced how the devices of interessement worked. This is indicated by it not being a top-down imposed budget analysis, wherein the consultants would come get their data, then return with the analysis, but instead a framing arrangement which relied on the interaction of actors to find optimal effectivizations (I1, p. 15). Earlier attempts was rather;

*'They send someone in to do some interviews, they were handed some documents and they then left to make the analysis (...) they did some interviews with some military people, and from those they generalized a lot of thing which they could do better, smarter and so on. But the problem was that the people interviewed were from the same barracks, the same educational background. What they did not get, was that the educational environment across the DDF were very different. So, the generalization did not make sense. But it was too late.'* (I3, p. 13).

As illustrated here, the fact that the DDA, the device, was retooled to be a frame of action between actors of the program, helped to attribute the intended identities. Albeit it also demonstrates the effects of participation in budgeting when the alternative implies little specialized insight.

### 3.4 ENROLLMENT

As established in the moment of interessement, key alliances are identified and are needed to mobilize the expected restructuring of the DDF – should the project be successful, it will imply that all the identified actors within have their identified wants and needs satisfied according to the OPP. The interessement devices involved herein were primarily related to establish co-creation with DDF personnel and unions. This device was of a seductive power, as it promised that the DDF actors could ensure the quality of the consultant's work, and in turn, they were to help the consultants embed the translation process in the DDF. This would likewise be a boon to the MoD, the MoF and the NAOD, as it this setup could ensure that the effectivization are more expertly mobilized, and that both the deficits would be covered, as well as that value-for-money would be optimized. They have coinciding interests, albeit the MoD and DDF would otherwise also hope for political legitimacy for negotiations on raising the budget. This would also be a seductive outcome for the unions, if the raised budget would alleviate some of the negative spillovers from earlier.

But the interessement are not a guarantee of enrollment into the program. That is rather an outcome of implicit negotiations and trials of strength. Much would hinge on the interactions between the consultants and the DDF personnel within the task groups, and on how the trials would affect the potential yields and prioritization. Therefore, we shall investigate the process, and herein especially the use of benchmarking, and how it is attention-directing legitimacy was questioned and negotiated. Would the DDF negotiate them, reject them, or rather spectate? In this pursuit, we will dive into the process through some examples.

The consultants constructed the frame of the analysis, and instigated trials of strength through attention-directing benchmarks. Consequently, the project group were to analyze the variances, and what they could extract from the 'best-practice' examples. In debate, the consultants and the group would then negotiate the feasibility and potential yields, come with suggestions, and ensure the quality of the suggestion. However, these benchmarks often suggested quite large potentials of at least 30% (I3, p. 14; I4, p. 8). A core premise of the analysis was that the primary goal was that the effectivizations were not to bring negative spill-over effects to the operational capacities – a feat which was considerably difficult to realize through cutting into to some of the considerably smaller non-operational departments (I3, p. 14).

#### 3.4.1 Benchmarking: FAK – trials of strength and benchmarking:

The educational segment of the DDF is led by the DDF academy (FAK) and were faced with benchmarks suggesting 30% effectivizations, applied to the baseline costs of 2016. Herein, the FAK had a baseline of 0.7 bil.dkk, although this includes the DDF medical unit and the primary workshop. In comparison, this is 9,3 pct. of the total baseline of the VFK's operative baseline excluding the agencies - totaling 7,5 bil.dkk, and 3,32 pct. of the total DDF baseline of 21,4 bil.dkk (B1, p. 6).

The immediate concerns hereon would be how to realize and implement this. This would instigate a controversy on how to accomplish a 30% reduction on the educational program for officers, as it would necessitate cutting out segments of the program or shortening the education. Herein the consultants stated that the education covered a too wide a variety of subjects, and that that they could replicate *just-in-time production/just enough* as a 'best-practice'. Each officer could be trained for what he was needed for. It would by the project teams' arguments naturally provide suboptimal officers, as the status-quo was structured to provide officers that lived up to the politically defined demands of the DDA. The educational program had historically emphasized that an officer would be educated and trained in a wide variety, wider than they would realistically need, so as to be flexible – should an officer fall in the line of duty, he could immediately be replaced by one of the same rank. This structure meant that all officers had the same educational capabilities (I3, p.14), and that the ranks exhibited their skills, training and uses, which can be a necessity in dangerous scenarios (I5, p. 6; I7, p. 4). The ranks were a device which reflected a standardized education. Nevertheless, it was hard to debate the realities of the consultant's inscriptions, and JIT was to be implemented – the project group had to find out how. The consultants made their claims of 'over-education' calculative. Consequently, hard to render the logic of flexibility and rank standardization of capabilities with calculative devices, as to counter the effectivity inscriptions of 'best-practice' JIT production. Alas, while the project team and other actors were enrolled into to program, it did not serve to remove future skepticism from other actors.

An example of this outcome would be the effects on the master-program of FAK – necessary for becoming a high-ranking officer. *'We were told that we should provide two times as many ECTS-points at the same level – meaning that it must not result in a lower academic level, but preferably higher (...) and I were not allowed to spend more resources on it.'* (I3, p. 14). Consequently, it was impossible to do without a complete overhaul and rethinking of the education, as they had to

restructure it from the bottom-up, making sure that they would come out with the same capabilities. The project group ended up satisfied with the results (I3, p. 15).

Summarizing this example, the immediate result of the inscriptions of consultant led to a trial of strength cost-cutting were replaced by reconstructing the frame on co-creation instead – the devices provoked intuitiveness, as the project group submitted to the program and took on the desired identity. Had they not, their budget would likely have been cut by the consultant's suggestion, leaving the DDF scrambling to restructure in the blind over the course of the DDA period, as reflected on earlier.

Diving into the process of negotiations and controversies will help us to understand the roles of the actors, and consequently the enrollment. FAK's work on restructuring the educational program as instigated by benchmarking inscriptions from consultants were apparently constructed as per a successful enrollment, with key FAK employees adopting the roles of co-creators of a budget analysis which would optimize, but not hurt the operative capacities of their output – the officers. Not all actors in the network share this perspective but have otherwise been excluded from the sub-network that is this specific project group. This may be a spill-over of the power-relationship between the consultants and the DDF personnel, suggesting that the (re)framing did not contain the effects sought to be avoided.

The budget analysis process was mostly free from interference from politicians, albeit the DDF leadership would not accept failure to reach the goal (I3, p. 18), indicating an enrollment due to the motivations attributed to them. The consultants were however surprised that the identified potentials were overall much smaller than they had expected or instigated to with benchmarks. Coincidentally, the DDF leadership exerted pressure to find the potentials. As a consequence, they exerted a great deal of effort on motivating the potentials upwards. A section commander in the FAK describes:

*'I did however learn that the DDF would not accept that we could not find the money (...) And it could be felt on the consultants. If I had to say some of the negative things I experienced, examples within my area – they expected a much bigger potential than I could find. And on the suggestions, that I was asked to calculate, I would tell them: If I include your suggestions – what you want to cut, then you must know that our suggestion will be in offence with the union agreements. (...) They really did not care, because they had to reach the goal. I refused (...) And it happened twice during my*

*work on the analysis, where I was pressured to get cost savings through which I could already tell them were impossible.’ (I3, p. 18).*

This actor refused to use the expert inscriptions - stating that he found it ‘idiotic’, and he refused to cooperate. The arguments were however hard for the consultants to accept, as they had no calculative reason to not trust their data, and securing yields were the premise for establishing their role as experts. This interaction happened two times during the interactions of the consultants and this specific project group, resulting in two separate vetoes, although the result was herein a successful enrollment of DDF personnel in filtering and adding insight to the overall budget analysis. However, the section manager suspects that this frame of analysis could be problematic. He worries that others would not have this authority to stand against the ‘violent’ use of inscriptions and coercion – he has a high-ranking position, with many years of work behind him, confident in the unlikelihood of him losing his job over his objections to the analytical process. But other agents, within other fields of the analysis may have been young, inexperienced, or unconfident, making it hard to stand up to the consultants’ pressures. This may explain complaints about effects of the budget analysis on the segments of HR & administration. Could these be enrolled as silent spectators of the process, letting things go wrong?

Another analysis herein covered time spend on meetings, whether this be downsized, wherein the potentials ended up conveyed in man-years. Multiplying cuts in time spent on meetings with +20.000 employees yielded 17-20 man-years, which would be cut from the budget, but these 17-20 man-years were not people that could be removed. This was related to the subject of centering administrative agencies to gain economies-of-scale effects, but the calculations indicated saved man-years which did not technically exist, because a lot of administrative duties were handled by decentral personnel/officers on guard-duties and nothing better to do, as to offload the administration following previous DDA cuts.

*‘If you centralize these administrative tasks, then you won’t be cutting any of these guards. They are part of a corps that must sit and observe some radar screens and suff. There won’t be any real savings potential by centralizing.’ (I3, p. 19).*

Would economies-of-scale provide more man-years in savings than having non-administrative agents effectively supporting the administration with no additional increments to their salary? Keeping in mind that these cannot be cuts, as they are operating capacity and are not included in



the administration budgets. The consultants were resistant to these subjective evaluations from the project group, and it was difficult to suggest alternative avenues to securing the potential due to time constraints (I3, p. 18).

Another critique is placed on the quantitative methods employed. One such was a survey wherein personnel would put in the distribution of their worktime on different activities. The section commander was allowed 2-3 different questions to gain data on his field of study, which hampers the extraction of in-depth data. In addition, he had no influence on how the survey was constructed, that was the consultant's job. The returned data was however very unnuanced, enforcing a high minimum distribution of time spent on activities – rendering the data wholly unusable for his analysis.

*'I can't go into detail about how they put it but imagine that you had to describe how much time you spend daily on transportation to and from your study, in pct. of a days' time. If the lowest answer is 1%, then it is still a remarkably high amount of time spent on transport.'* (I3, p. 19-20).

The result was an inscription with an unrealistically high potential yield. This methodology was employed elsewhere. Another example given is the basis for the removal of salary-covered fitness to keep soldiers fit-for-fight. The consultant's analysis indicated that a 100% yield could be recovered in the terms of man-years if this service were removed. Their analyses did not however include that it was only 60% of the soldiers which utilized the plan, and much less among the civilians. There was debate concerning the operative consequences on the behalf of soldiers, but the plan could not be applied solely to the soldiers due to union regulations and union interference and ended up including both the soldiers and civilians. Summed up, the potential assumed 100% utilization of the plan among all personnel.

*'It creates a lot of frustrations, because that means that we here in FAK, where I work, get told that we have to cut this and that many man-years. Here I sit in an institute with primarily civilian employees, scientists, and to be blunt – we do not exercise enough, and definitely not at work, but we still must remove the man-years. (...) They are asking me to make cuts somewhere with no benefits.'* (I3, P. 21)

We will leave the stories gathered from FAK now, albeit it will be important to later analyze how the methodology implied in both the semiotics and in the relationship between consultants came to

affect mobilization of the network, and its role in purifying the budget report. Of equal importance is the implied consequences of the purification.

### 3.4.2 Trials on cost-effectiveness, flexibility & outsourcing:

In the chapter on interessement, there were an example of how the process of the budget analysis trials were planned to function with the Materials- & Logistics division. The basis for their analysis was also based in the consultants instigating effectivizations through attention-directing analysis from benchmarking, suggesting that 'best-practice' capacity planning, benchmarks and LEAN principles would typically secure a mean yield of 30-37 % in combination. This was presented to the project groups representing two maintenance divisions, VN1 & VN2. Nevertheless, the identified yield became adjusted downwards to 2-5% for VN1 (8-20 mil.dkk) and 1-3% for VN2 (1-3 mil.dkk), for a 11-29 mil.dkk in total (B2, pp. 318-319). Much like in the previous example, the actors implicated were enrolled into the process, and managed to take on the identity of enablers of change, provoked by the inscriptions presented to them. But instead of allowing for an implementation of the imagined yield, or reimagining the scrutinized subject, they negotiated corrections.

While the consultants had made sure not to compare VN1 and 2 with organizations that primarily focused on maintenance, but operational support, the project group managed to prove that some of the management accounting practices extracted from the 'best-practice' benchmarks were already implemented, especially in VN 2. This instigated an adjustment of the potential yield. Additionally, the project groups convinced the consultants that special circumstances within VN 1 challenged effectivizations, as it operated largely on a flexibility-principle to match political DDA demands of operative capacities. Because of this flexibility-principle, VN 1 did not exhibit cost-effectiveness, and should not do so. Time and economy alone could not express the value-for-money herein, as time and cost-effectiveness were opposing operational effectiveness and ultimately safety. *'The area of operations variable environment: Alternative priorities relating to safety and effectivity weighs more than for instance time and economy'* (B2, p. 318). This principle was also a point of debate concerning the restructuring of the educational program, herein on the capabilities of officers – albeit this subjective argument fared differently in that trial.

The consultants accepted that the unstable and reactive circumstances of VN 1 heavily affected the costs, and herein the necessary cost-ineffectiveness, but retorted that further potentials could perhaps be found through better usage of DeMars to exhibit time management – Herein bridging over

to debates on other consultancy projects on the DDF and the Danish police, that stressed the same, despite it being met with arguments over how comprehensive and unnecessary the recording would be (Skærbæk & Thorbjørnsen, 2007; Christensen & Skærbæk, 2010).

In extension of this trail, several sub-analyses were made suggesting additional potentials to be applied on top of these, presented as additional perspectives to the main baseline. Albeit they would require either more analysis or either the committees or politician's approval. These are a result of ongoing trials, which can be regarded as the consequences of the earlier effectivization potential adjustments – the budget analysis was required to find 1 bil.dkk, and the adjustment to one of the attention-directing benchmark analyses was rejected, necessitating other alleys for effectivization. Examples herein would be a potential 1-3% additional savings from insourcing some external maintenance projects. This analysis found it interesting that the billed hours on outsourced maintenance for vehicles and equipment had grown from 1.326 mil.dkk end-of-period 2014 to 1.911 mil.dkk end-of-period 2015, a growth of 44%, whereas the internal billed hours grew from 673 mil.dkk to 702 mil.dkk, a growth of just 4%. As the DDF was found to have billed 792 mil.dkk for internal maintenance for the period of 2013, it is seen as an argument for existing capacities to insource for a potential 6% effectivization yield. And if the DDF only outsource tasks with a cost above 6000 dkk., 3% should be easily achieved (B2, p. 326), without a significant effect on operative capacities. Adding onto this is further analyses suggesting avenues of optimization.

This is in itself a very interesting product of the implicit trials of strength, as it is a form of critique of the rising prevalence of outsourcing as a device for modernization in the public sector. The calculative inscriptions demonstrated that the emphasis on outsourcing as of the previous McKinsey-led budget analysis had induced rising costs, and consequently led to underutilized capacity within the DDF. This outsourcing emphasis has implicit contradictions, such as the weight of transaction-costs, albeit it is generally seen as 'best-practice' governance to outsource non-core operations by the MoF.

*'If you look at the previous DDA, then it emphasized that we had to outsource everything. ISS-contracts. And we had to go out to Bosch Car service – they were to service out vehicles and all that stuff. (...) And now, we roll that back. We must inhouse a lot of tasks – partly because we found out that it was too expensive not to, which we had already whispered in their ears (...) but it is also because the tasks are best solved by DDF employees. They are much more flexible, have a bigger know-how on the*

*materials, and they can be used in double functions both in war and at home. Right now, we roll a lot of things back into the DDF.'* (L2, 0:30:05-0:33:12)

The process of translation herein truly demonstrated the political side of translation, which is opposing the otherwise purified truth-claims inherent on outsourcing. These contradictions were sought made calculable by the DDF, but that ultimately did not stop the implementation. The DDF personnel, along with a new set of consultants, managed to produce accounting inscriptions going against the earlier logic of the MoF, spurred on by intuitiveness stemming from a trial of strength on a benchmark suggesting 30% potential optimization. The enrollment herein was successful, and the previously thought potential from emphasizing outsourcing for maintenance purposes were abolished.

We will later return to the savings debated on maintenance functions, and how trials of strength centered on preparedness, flexibility and survival altered the mobilization and purification processes – and how their consequences affect the stability of the mobilization.

#### **Internal benchmarking and framing: Spectating comparisons:**

Another example of trials of strength within the enrollment phase a specific case wherein external benchmark acted as inspiration for internal benchmarking, in the effort to import 'best-practices'. Two line-items were problematized by the consultants – guard-duty/drill increment payout and overtime work payout, in comparison with total salary expenses. The DDF was compared with benchmarks representing the danish public sector's ministerial areas of responsibility, herein the MoJ, the tax authorities (SKAT) and more (Appendix E2; B2, p. 393). The inscription conveyed that that the mean was 0,8% of total salary expense, whereas the operative segments of DDF has a pay-out/salary ratio of 2,3% - the highest of ratio of all the visualized benchmarks, indicating that the DDF is a 'worst-practice' example, and that at least a 1,5% yield could be found. It is however noted that the MoJ's area, despite being visualized with a lower ratio, incorporates a ratio of 2,5% within the Danish police and 1,9% within the prison service. The visual inscription thus renders the DDF as 'worst-practice', although an examination of individual public sector organizations would have allowed for an easier identification of best-practices, even though it would not convey DDF as 'worst-practice.'

The overarching argument herein was that good management practices on planning and inciting to time off in lieu of incremental pay hours, could reduce the ratio. To identify 'best-practices', the consultants benchmarked internal ratios of hourly incremental payout/man-years of every division within the DDF, extracted from DeMars (E3; B2, p. 397). The inscription visually conveys the distribution of ~30.000 incremental pay hours, and communicated certain outliers, herein especially the operations-related brigades and supporting functions. These were significantly above a DDF mean ratio of 2, directing the attention of the project groups towards identifying the causes for the variances. This was an instrumental part of the translation process as proposed by the OPP, as the consultants would, as debated earlier, not possess the required amount of insight to understand these data intimately. Certain implications exist within, warranting carefulness and internal specialized insight for analytical purposes (I7, p. 8-9).

The inscription was supplemented with another visual representation, grouping the DDF divisions benchmarks into comparable subgroups (E4; B2, p. 398). Through replicating the 'best-practices' of each subgroup, it was implied that ~11-22.000 increment pay hours in total could be avoided. This analysis was based on the premise that the potentials could be realized, but the implementation was up to the DDF's discretion afterwards by taskforces. Should it not be realizable, the frame would allow them to find the money elsewhere (I1, p. 7; B2, pp. 392-404).

However, these grouping were controversial to the unions, as that practice were also utilized within the earlier Mckinsey-report of 2013. Identifying and replicating internal 'best-practices' were likewise sought out on the same ratio, through internal benchmarking. Herein the royal guard <sup>11</sup>in Høvelte and the 1<sup>st</sup> GHR<sup>12</sup> in Antvorskov were compared, as they were almost identical in size. The consultants found that the payout of guard-duty increments was much higher among the royal guard than among the hussars, making the hussars the 'best practice', necessitating a cut in the royal guards' budget to the same level. Reversely, overtime payout was much higher among the hussars than among the royal guard, making the royal guard the 'best practice', cutting the hussars budget. Herein was little consideration from the operational differences – The royal guards literally guard the royal castles, necessitating budgetary capacity to cover guard-duty increments, while the

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<sup>11</sup> (In Danish, Livgarden)

<sup>12</sup> The 1st regiment hussars. (In Danish, Gardehusarerne)

1<sup>st</sup> GHR do not, but have proud traditions as a horseback regiment with a lot of drills – necessitating budgetary capacity for overwork pay (I1, p. 7).

The visual inscription device (E4; B2, p. 398) provides the exact same comparison once again, suggesting a potential of saving ~0-200 hours/man-years by implementing ‘best-practice’ effectiveizations from the GHR onto the royal guard, much to the unions dismay. It does however convey that an underlying trial of strength managed to put the potential into question, albeit the baselines of this example is below the benchmarked mean ratio. The other comparisons herein generally reflect that the enrollment of DDF personnel, leadership and in part unions managed to establish large uncertainties in the potentials. Other comparisons within the inscription are the 1<sup>st</sup> and 2<sup>nd</sup> brigades, wherein a potential ‘best-practice’ implementation from the 1<sup>st</sup> brigade could yield ~5000 hours/man-years. Both are outliers but cover different operational capacities. The 1<sup>st</sup> brigade is a combat unit, which partakes in operation GEFION<sup>13</sup>, conducts international operations in Afghanistan, Iraq, Kosovo and Estonia and partake in NATO readiness programs (Forsvaret, 2020a). The 2<sup>nd</sup> Brigade has the responsibility of technical and tactical developments with the fields of reconnaissance, armored vehicles, and light infantry. Furthermore, they educate lieutenants in Denmark, and has the responsibility guarding key personnel in Afghanistan, educating Iraqi forces, and educating people for guard-duty in Kosovo (Forsvaret, 2020b).

These responsibilities convey why the brigades are outliers in the inscription, along with why they are only comparable with each other. It also tells us that there are significant operational differences between them, enough to warrant the skepticisms of these comparisons demonstrated by the officers’ union; HOD (I1, p.7). The potential of the comparison suggests a of ~5000 hours/man-years by applying 1<sup>st</sup> brigade practices into the 2<sup>nd</sup>, with no implicit uncertainties. Can we compare a combat brigade with an educational brigade, implicitly responsible for drilling new personnel, just because they may be similar on guard-duties? Why did the project group spectate the continuation without instigating a trial of strength to add the uncertainties and implications into the potentials, so that they would not initiate a flat-out budget cut?

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<sup>13</sup> Supporting the Danish Police with border-control and guarding the Copenhagen Synagogue.

Returning to the inscription (B2, p. 398), we see benchmarking comparisons of the various branches of service within the army<sup>14</sup> compared with the reserve troop regiment indicating ~4.000-14.000<sup>15</sup> hours/man-year in 'best-practice' optimization. Naturally, the reserve would have little overworking increments. Another such interesting comparison would be of the DDF staff, specials forces/operations<sup>16</sup> and FAK, indicated that implementing 'best-practice' in the DDF staff and FAK from special operations would provide a reduction of ~1.400-1.600 hours/man-years. Again, no uncertainties were expressed, even though the comparison expressed the wish to apply practices of specially trained combat forces into a an educational/scientific facility and a primarily civilian-staffed command (I1, p. 8).

Our analysis indicates that a greater consideration of the comparisons could have been appropriate, albeit they went largely uncontested. In this example, the DDF personnel involved can largely be attributed as spectators of the consultant's work, either confident in their expert truth-claims or taking advantage/consolation in the fact that this DDA and budget analysis heavily implies a frame of action to adopt to the coming budget reductions after actuation – the analysis is unrealistic, but can be realized post-hoc from internal analysis and scrutiny of other line-items. The implicated DDF actors have thus not enrolled into the program sufficiently if the purpose was to satisfy the needs of all actors.

### 3.5 MOBILIZATION & PURIFICATION

The methods found within the above suggests that enrollment may not be completely successful. The budget analysis is as previously noted comprehensive, and considers numerous sub-analyses, wherein some of the investigated contained successful enrollment, and others less so. But it did perhaps bring more motivation as the result of the participation. The moment of mobilization is however expected to be stabilized by consultants, as to mobilize the analysis. This process unveiled by examining how the underlying analyses was conveyed as 'truth-claims', which purified the report as realistic and implementable, opposing initial and current concerns. It makes the consultants representatives of the network implied in the OPP, if they can purify that they found the yield, and that all identified needs were satisfied. The budget analysis sought to enroll the DDF (and unions)

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<sup>14</sup> Combat engineers (IGR), snipers/artillery (HKIC), military police/logistics/medical (TRR/TGR)

<sup>15</sup> 2nd best 'best-practice' vs. 'best-practice'.

<sup>16</sup> VFK-OP, SOKOM & AKO

through interessement, wherein the premise was based on budget participation, in response to underlying controversies regarding past and future effects.

The budget analysis passed on to the politicians and the DDF leadership concludes that the mandated potentials can be secured through suggestions which do not affect operational capacities. Herein that the expected span lies between 855-1.135 mil.dkk, due to implicit uncertainties, risks, and consequences of some of the suggestions. The expected yields are hereon based on the desired risk-profile, although the consultants state that they have removed risky endeavors. The economic feasibility was further validated by the separate consultant task-force, which have adjusted the selection of yields and suggestions based on the reports from the project-groups (B1, p. 7). Every suggestion is presented with a small bracket of related risks and uncertainties from the internal actors, but the detailed explanations are isolated to separate documents. This suggests that diminished importance is attributed to the participation of internal actors – and that the consultants present the report as both risk-less and risky.

#### 3.5.1 Conditions:

The DDA's have a cyclical and ritualistic nature, giving rise to a political- and economic reconstruction of the DDF every four years. The DDA is a consequence of the likewise cyclical nature in MoF agreements, which allocates the national budget. If the national budget is to be correct, it requires that the various other ministries, as well as the PAC and the NAOD, enforce a general adherence to the budgets. The controversies are therefore rooted in this cycle.

A primary source for controversy would in this case be the critiques from NAOD suggesting that swift action was to be taken, or the deficits would have to be incorporated into the coming DDA. Value-for-money principles were not upheld by the MoD. They further criticize whether the expected yields could be salvaged without negatively affecting the operational capacities (NAOD, 2019). This is however met with debate from the MD, whereas a controversy would rise from whether operations really were affected, and how large deficits were. As stated earlier, the inscriptions on coming deficits were hard to counter. NAOD expected a deficit of 225 mil.dkk, and the MD expected only part of that to be challenging to control. The overarching debate within this controversy is however complicated. Was failure to satisfy political demands due lacking implementation and control or to misrepresentations in the previous analysis?



These actors shared the belief that management accounting and control could benefit the DDF – NAOB pushes for it, and the MD expressly states that effectivization is always possible, despite whatever the DDF may claim. DDF believes that they have not failed implementation, nor the past ‘modernizations.’ They see that premises were however based on sloppy work by consultants, producing unrealistic effectivizations (I4, p. 7).

*‘Another difference is that they people started to look at – is it really that beneficial to use Mckinsey raw, without additional considerations?’ (L2, 33:51-34:14).*

External actors do not possess the specialized insight to extract data from the DDF’s management accounting system (DeMars) and have no idea of implicit factors and uncertainties (I7, p. 8-9). Furthermore, the methodological and theoretical work of earlier consultants have been heavily influenced by comparative attention-directing analysis, leaning heavily on spreadsheet-inscriptions. Arbitrary benchmark comparisons of ‘best-practices’, KPI’s and *span-of-control*, both internally and externally were heavily criticized by the DDF and the union. The consultants were too quick to benchmark incomparable units and are too resistant to counter-arguments.

The DDF believe that, specialized insights aside, several technicalities interfere the consultant’s logic. It is not a matter of income, costs, and profit - it is a matter of value-for-money. Adherence to rapid changes in capacities mandated by the DDA relies on excess capacity, resulting in less optimal KPI’s, cost drivers, overhead etc.

*‘You have to realize that when you make a spreadsheet, you have to be very careful with the data you compare, and what it is that you adjust (...) it will always look bad in comparison to others – look bad when you must get preparedness into it.’ (L7, 1:29:45-1:30:11).*

Operations expenses are not driven by a ‘bottom-line logic’. An officer will not think about economic costs when he and his men are endangered – the mission success may cost all the explosives and bullets they have, but not their men (I1, p. 7). Their performance is not objectively quantifiable, but require specialized insight to evaluate. Previous budget analyses have however failed to incorporate DDF personnel into these evaluations, resulting in unadjusted and sometimes unrealistic conclusions. Spill-overs were the main cause for further deficits. In the eyes of the DDF, maximizing value-for-money were impossible without their inclusion in the process, and the consultants previously demonstrated a failure to do so. They had instead opted to make comparative analyses, wherein

the consultants opted to elect representatives of 'best-practices', not making ensuring that the comparison made sense (I7, p. 8-9; I5, p. 8; I4, p. 11).

This puts the capabilities of the consultants into question, which claim to be management accounting experts that can diffuse accounting practices suited for the client. Is the NAOD and the MoF correct in pinpointing the blame at the DDF? This controversy can be summarized as a debate on budgetary methodology. The basis for earlier budgetary work on the DDF has been grounded on a top-down approach (I1, p.15), whereas the consultants have replaced the DDF and MoD's leadership as the author, essentially avoiding both participation and counter-programs from influencing the resulting budgets adversely from the will of the MoF/NAOD – having the consultants promise through their expert-status that the potentials could be realized without negative spill-overs on operations. This method was chosen over earlier iterations, where the politicians and officials would construct the budget with potential input from FC (I4, p. 8).

Negative effects from the previous DDA have thus created a controversy wherein the other actors within the DDF network seeks influence, and would prefer a framing based on bottom-up participation instead (I1, p. 5; I6, p. 22). Value-for-money aspirations was suggested to be better achieved with subjective adjustments supporting the devices of the consultants, as they are not experts on this network. Politicians have accepted the consultant's conclusions when these were too isolated (I5, p. 8). The FC pushed to gain the chance to make an internal budget analysis without the aid of consultants (I2, p. 6-7; I4, p. 8), or at least to free the budget from a rigid line-item budget framing, allowing for readjustments (I4, p. 11). Where the current frame, influenced by previous consultancy reports, did not allow for optimal solution of the core objective (I4, p. 10).

Consequently, the consultants have been embedded into the budgetary work for a reason. The DDF's complaints may be attributed to a failing implementation and accountings control, whereas hiring accountings management experts could instill the desired changes. It is suspected that politicians would prefer to both be regarded as a modernizing actor, but also to keep an arms-length with public organizations, as to not get embroiled in any trouble (I4, p. 12), which the consultants allow for.

The wish to decentralize the budgetary work to other actors, herein the FC, was expressed by the MD as well, but he was yet still be certain that effectivizations - as modernizing reforms, could

always be instilled. At one hand, he expressed faith in the FC's ability to lead a new analysis instead of himself (Krog, 2020), yet he still incited to implement 1 bil.dkk effectivizations in response to the critiques of the NAOD. The result is that the leadership of the DDF feel that their professional capabilities are mistrusted by the politicians, as they would rather employ the consultants into reforming projects.

*'My experience is that there was a mistrust of the DDF's abilities to do it themselves, at that time. A great mistrust of whether we ourselves could go in, find and get what the politicians wanted, and restructure at the right places (...) And I don't think that is what the DDF would have proposed (...) I think that there was a wish for getting someone external involved, saying that we had to get others opinion on it. Because they did not believe that the DDF was capable of it. And that influenced the mood at the time, where many were embittered. They felt mistrusted.'* (L7, 1:38:26-1:39:39).

This means that the conditions for calling onto external consultants are based on a handful of underlying controversies. First and foremost, the criticisms of a failing implementation and a lack of controlling. While the MoD disagree with the effects on capacity, they end up taking the initiative to implement additional effectivizations for the coming DDA. Meanwhile, the DDF finds their lack of influence on the budgetary work to be the core issue, which has rendered the expected yields unrealistic.

*'You cannot debate that if you ever had a surgical question, it would likely be smart to ask a doctor educated as a surgeon. But why is it that you ask a 'Djøffer'<sup>17</sup> if you have a question about the DDF?' (I1, p. 13-14)*

They find that external actors are unfit to lead the budgetary work. The consultants are however reputed experts, employed by the politicians to be the motor of the process. The rhetoric is simple – if the DDF knew how to optimize and reach the budget targets, they would have done so already. And the consultants have established their role already through several projects for the MoF as agents of effectivization. Their legitimacy and validity as such experts are put into question by the DDF, but what of their own legitimacy?

The controversy changed the framing arrangement into one which relied heavily on the participation of the DDF, albeit they would have an interest in minimizing the extent of the effectivizations

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<sup>17</sup> slang for lawyer/economist union members

and simultaneously maximize the quality of them. The consultants hereon initiated the analytical inquiries with the same controversial generalizations and comparative attention-directing analyses as before, navigating the DDF personnel towards the pre-defined expected yields – despite them suffering from the spillovers from a previous cutback from 2013-17.

The controversies mentioned above are in part based on controversies of responsibility over a failing implementation, as well as over budgetary methods. Secondly, the consultants title as experts are called into question, made controversial through accusations of sloppiness and unwillingness to incorporate specialized insight. The actors external to the DDF do not trust the DDF's capabilities of making a budget optimization, and despite the claims of linkages between the failed implementation and the previous consultancy-report, consultants are sought out. It does however lead to a change in the frame of the analysis, wherein the purification, mobilization and consequent implementation largely hinges on the co-production of DDF actors. The goal of the coming truth-claims would therefore be to cement the consultants as true experts in public sector reform projects. The opposing argument would however suggest that they are not experts – surely, they can provide some good analyses (I3, p. 13), which could help to identify practices to replicate, but other analyses would be much too generalized to be of use (L7, 01:06:33). The controversy was the basis for embedding the consultants, which would thus have to purify their truth-claims as valid and legitimate, when the opposition claimed that they were in fact not.

### 3.5.2 Forms:

The controversies instigated a new consultancy-led budget analysis, albeit key changes were made to the frame in the effort to establish a basis for co-production. Seeing the budget analysis as a continuation of previous consultants' involvement, this was a redefinition of the materialities employed previously. The consequences of a previous purification attempts can this be ascribed to not have secured a long-standing stabilization. Therefore, this attempt were redefined as to provide for continued stabilization. Additionally, this was to ensure the mobilization of the identified actors, herein both the actors blamed for exhibiting a lack of control, as well as the actors which sought influence to ensure the analytical quality. Consequently, the forms of purification were to render the notion of an internal and independent budget analysis impure, and the involvement of external experts and their attention-directing devices a pure concept. Which actor were to be deemed indispensable for the network of the program, and whether the consultants or the DDF in co-production

could render the implementation mobile are implicitly of debate. In extension, it would also need to de-politicize the mandated 1 bil.dkk cut, transforming it from an external political want into a possible and rational option. It would have to purify that the DDF could both be cheaper and better;

*'I think they should have told us from the start that we needed to cut our expenses, from a national perspective. (...) that is a premise for a public sector organization. Everybody would understand that. Next step would be to say that it would have some consequences - some things which will not be perceived as good as before. But the story was actually (...) a story of us doing everything better and cheaper. In some cases, it did become cheaper, but not better. And in other cases, it was not cheaper either.'* (L5, 01:06:29-01:07:17).

The foremost example of the forms of purification was the analytical frame of the analysis. Instead of being a result of external actors extracting data from DeMars and returning with suggestions for effectivization, the budgetary inquiry was transformed to implicate bottom-up and participative budgeting processes. This participation was however framed based on the having the consultants be mediators, which circulate attention-directing inscriptions and adjust the overall results of the suggestions to the feedback. This process would be split into stages, wherein the consultants embedded in project groups would introduce an initial potential analysis, then report the identified potential, its implicit risks/uncertainties, and avenues for implementation to a separate economical consultancy group, which would adjust the potential. These would further purify it with economical theory, and adjust for adverse selection etc., then send it to the senior task groups/segments. As mentioned earlier, they would consist of select members of the DDF command (VFK), related agencies, and representatives from the MoF and the consultants. The actors are arranged into certain positions and roles within the formation of the device, all the while the consultants would control the semiotics (the scientific methods and instruments) which would lead to a scientific truth claim. They are so-to-say, effectively in control of the conveyed outcomes of the trials of strength, both on the semiotics to initialize and instigate a further analysis through attention-direction, but also on controlling the results. By this, we refer to the independent claims of the economic team of consultants, which report it upwards. The inclusion of the specialized knowledge aimed at insuring a rational and accurate implementation are hereon isolated from the latter stages of the budget analysis, first to be controlled scientifically by consultants, then to be controlled by DDF general leadership and politicians. Summarized, the specialized insights develop from the initialization by consultants are filtered.

*'The thousand pages of budget analysis was turned into a few hundred pages extract, which were turned into a 15-page resume for the politicians. It is not likely that many politicians have read more than those 15 pages. And in those, the conclusions is: 'Yes, we can find 1. Bil.dkk, and it has no significant operational consequences.' (I1, p. 13).*

It was a requirement that the budget analysis was to find 1.bil.dkk, without significant negative effects on operations – cheaper and better for the allocated budget. The claimed potentials were presented with footnotes on risks, implement-ability and consequences which required a deep-dive into the separate documents of the analysis for further elaboration. But the overall conclusion presented the analysis as virtually risk free, albeit the potentials lied in a span between 855-1.135 mil.dkk and were affected by the preferred risk-profile (B1, p. 7). This suggests that the risks which threatened the potentials were somehow less emphasized, despite the utilization of budget participation.

In the previous segment on FAK, the methodologies, pressures and devices were seen to establish as sense of force on implicated actors. This was effectuated with attention-directing benchmark analyses, and pressures from the consultants as well as the DDF leadership, which threatened the analytical work by introducing a bias into what is to be turned into an independent and pure scientific 'truth-claim'. This finding cannot be generalized onto all sub-analyses within the overall report, albeit it does suggest that the presence of biases blends the distinction between the worlds of purification and translation. It was not only a debate wherein some actors wanted to investigate whether things could be done better and cheaper – the consultants had to provide the mandated cost savings or risk their status as experts. As a consequence, the internal actors had to find some way of finding the yields within a set time, no matter what. They could choose to fight the inscriptions and arguments, or they could submit to the program and resign their arguments.

A key utilized form of purification was benchmarking against civilian 'best-practices', which can be highly beneficial in the pursuit of identifying applicable practices for improvement, through its ability to direct attention to variances. However, the DDF is uniquely different from civilian-sector profit-based organization, where one key difference is preparedness, flexibility and safety. As previously treated, these acted as key arguments for co-production of the analysis, as these tend to look terribly cost-efficiency wise. These factors are not implicit to the data which the consultants could extract from DeMars. As such, the resulting conclusions will suggest inappropriate cost savings

if internal insight is not added, eventually putting both lives at risk and jeopardizing the DDF's ability to live up to politically mandated capacities (I7, p.7-8). Nevertheless, the initial inscriptions based on the benchmarks were instigating for the enrollment of personnel, so as to co-produce a purification of a scientific 'truth-claim' that could actually mobilize and implement realizable cost savings.

Our previous chapter of the enrollment within the workshop and maintenance structure, VN 1 & 2, describe the effects of this dynamic. Herein, adjustments were made to the initial benchmarking attempts, indicating a smaller yield than expected. The key objective of DDF employees were to explain the implication, so that mobilization could occur. Although, some of the potentials suggested were still based on relatively narrow analyses. A benchmarking of the main workshop revealed that there were suboptimal utilization of capacities, which were actually received well by the DDF. Albeit, the analysis would generalize the implemented practices widely across the structure

*'But half of that structure is based on people that travel to repair things as part of preparedness. We have technicians ready for if something breaks down in Greenland, on one of our ships – we cannot live with a ship out of commission for a long period – it is a political demand that we cannot have downtime here, we must operate at 98%. If we must comply, then we need a maintenance team. Other fleets would have that capacity on board, with many people. We have fewer, but one technician that travel. If you take that technician, he will not look very effective.'* (L7, 1:16:07f)

In this example, the applicability comparative analyses are put into question. The purified 'best-practice' approaches were presented to the maintenance departments VN1 & 2, and while the trials of strength did adjust the outcome to a level which were more likely to mobilize the cost savings, the capacity-planning arguments made sense on VN1, but not quite so for VN2. Despite that, VN1 conclusions were still applied to VN2. The relatively modest savings of a few percent (2-5% VN1 & 1-3 % for VN2), imagine what the potentials would look if the total VN1+2 baseline of 3.199 mil.dkk were subjected to the instigating benchmarks (B2, pp. 301-333).

In summation, the DDF helped to co-create a truth-claim and a materiality which is likely to establish stabilization, as it redefined to a point wherein agreement is garnered. Nevertheless, we also see that certain factors hindered a truly impartial and unpolitical conclusion. This can also be applied to the generalizations represented by the consultants use of internal benchmarking of DDF divisions. The benchmarking approach is herein represented as a purified and scientific method to identify optimal budget allocations for overtime/incremental pay, wherein it is presented without any

description or footnoted on the compared entities. Can it truly be claimed as objective reality to compare divisions which have quite natural explanations for their budget differences?

The consultants identify the initial budget potentials using scientific theory, which is sought improved through the specialized and technical inputs. This instigates a trial of strength, or rather, a prototype trial of incompatibility. It is set up, so that the produced inscriptions are once again tested with scientific methods, before being passed on to the DDF leadership and consequently the politicians. It herein isolates those involved with the calculation of the suggestion to the project groups, and the implicit uncertainties and risks are sparsely conveyed onwards.

*'The consultancy bureau makes an analysis which points to some possibilities, presented as if we make some changes, find new ways to do some things, new IT, then we will potentially save between 50-80 mil.dkk. And in my general experience, as soon as that get upwards, then they see the 50-80 mil.dkk and think '80 sounds good'. Next step, it says 80. Mil.dkk - so they've always picked the highest.'* (L7, 01:12:46-01:14:35).

The frame includes several steps of filtering, wherein that when the conclusions meet the actors which are to decide when and what to implement, it has been purified from a potential to a constant number – it has been 'black-boxed'. The sub-analyses are not supposed to have negative spillovers, and what risks and uncertainties that they eventually found went into separate reports. Any inquisitive politicians would have to chew through several hundreds of pages in the reports to gain insight. Coupled with the fact that the timeframe, the political bias on risk-less potential beforehand and the resulting pressures among the actors, we see an asymmetrical relationship between the consultants and the DDF personnel. Furthermore, the asymmetry between the political actors and the DDF motivates the decentralization of the budgetary work. This budget analysis was framed around participation of all actors, as to eliminate this asymmetry. A contact from the VFK describes about the relationship with the consultants:

*'It was set up on the premise that we had to be on the sideline, and guide and contribute. But I think that we did not have the time: We already had to do other jobs, operational jobs, while getting into the analysis. You did not have the time to be with it all along the way, so that we could not provide the understanding that they needed to understand what kind of organization we are; what is readiness, what is our personnel structure, the closedness, what it means to be a politically controlled organization, NATO-demands etc. We fought a lot on that.'* (I7, 01:25:44-01:26:24).



If the DDF has to satisfy political demands, such as 98% coverage of the arctic region, while a frigate has an operational time of 80%, they will need another frigate. This will definitely not be cost-effective, but it is necessary politically. The same debate was hinted on the travelling personnel within the maintenance structure – they are not cost-effective, but they are necessary, as DDF has minor capacities on board. The debate over readiness and flexibility is hard to convey calculative (I7, p. 10). The unique nature means that there are few opportunities to buy/outsource the mandated capacities, as would otherwise be possible for other organizations (L7, 1:27:56f). This meant that the calculative devices of the consultants did not always incorporate the insights of key personnel, as certain structural obstructions hindered the process. The result is a purification of certain inscriptions, through the process of the overall budget analysis, which should have been refined or narrowed for optimal stabilization and mobilization. Add hereon the structural frame of the inscription, wherein the presentation is adjusted and managed by the consultants without DDF influence, as to ‘black-box’ the conclusions without political/technical influence, the asymmetrical roles within the co-production come out pronounced.

### 3.5.3 Consequences and mobilization:

As the budget analysis was a foundation for the DDA of 2018-23, which is not fully implemented yet, there is an implied connection with the consequences of the purification for the mobilization. The budget analysis was instigated by external political forces, internal implementation difficulties, problematic employee-turnover, and wants for an increased budget overall. This formed an OPP, which led to the construction of a program which relied on interesting and enrolling internal DDF actors into a network, which could both help to purify and mobilize the cost savings, and secondly purify and justify a subsequent raised budget.

The second objective was accomplished, although the raised budget was to be critiqued. It did not remedy long-standing problems, it did not fix personnel issues, it added useless capacities to the DDF, and simply added already existing costs from other parts of the national budget. Only 1,5 out of the 4,8 bil.dkk were new funding (HOD, 2017b; Prakash & Just, 2017; Krog, 2019). It did however accomplish the political goal. This sub-plot of the budget analysis is however not important, as it does not not rely on the actual implementation of the budget analysis and were only purified as a secondary consequence to the purification within the budget analysis. It was a consequence of politically biased retrograde budgeting.

The forms of purification were co-produced, albeit to varying degrees of success based on subtracting values and biases, which will have varying consequences for the stabilization of the implementation. The inscriptions convey that implicit risks and uncertainties require careful assessments of the individual suggestions, coupled with a debate on what capacities are needed and what will satisfy them. Nevertheless, the lower bound of the conclusion are presented as objectively risk-free, purified through the various stages of analysis with scientific methods and prototype trials. It can herein be suggested that the 'black-boxed' product both conveys that it should be taken at face value, and that in-depth analysis is necessary. The question is, if the budget analysis is purified, will it instigate to this debate on capacities and risks? The 'truth-claims' attain validity and credibility through the co-production of the actors in the network, with the consequence that the political elements choose the upper bounds of the potentials.

The asymmetrical relationship between the consultants and the DDF actors lead to certain implications being excluded through a filtering, albeit the instigating attention-directing analysis are, as demonstrated earlier, adjusted and redefined in circulation. The roles are however clear-cut; the consultants are the budgeting experts, and the participating DDF actors are experts of DDF technicalities. As the uncertainties and implications are difficult to render calculative, their effects on the inscription devices are multitudinous. The subjective evaluations formulated and given redefined the spans of calculative devices, but was circulated onwards to the politicians as a question of ambition rather than risk. The money had to be found, the consultants would just have find the less risky suggestions till they had it. The purification de-politicized the potentials presented in the spans, where a span between 50 and 80 mil.dkk were both rational, cheaper and better options. The story told is not that the 50 mil.dkk is the least affecting;

*'It has been a problem to match the pace. The problems give cause to spill-overs. If we must realize an 80 mil.dkk yield and they are already subtracted from the budget, we rapidly come into financing issues. Because they have been withdrawn on that frame. And if we cannot realize the yield within the allotted time, and there can be many reasons for that, then we have to find them at other places. (L7, 01:15:07-01:15:34).*

This has the consequence that the finished budget analysis would return with conclusions which were previously questionable, and they would have to reevaluate whether they could accept them. The politicians however were certain that this could be implemented, as they were told that it would

both strengthen operations and optimize the supporting functions (I4, p. 9). Consequently, despite that the budget analysis was supposed to be an intermediary which in circulation leads to agreement, weaving the network together, it had actor-forces taking on the role of mediators. The inscriptions were uncertain, but through purification it came to be certain 'truth-claims', acting unfaithfully to the co-production.

We will dive into the earlier stories to shed light on the consequences and its effects on mobilization. The process of participation were influenced by trials of strength/incompatibility, wherein the result were to be co-produced 'truth-claims' that could mobilize the network. However, the process involved an asymmetrical relationship, where the project groups were pressured by both the consultants, worries of internal status and time constraints. As thus, these trials have are not all a product of true co-production, as some of the attention-directing analyses of consultants may have been allowed to purify claims which did actually have consequences, as they had to cut man-years which did not always exist, hindering the mobilization;

*'When the senior staff found out that it was really very impractical or difficult to implement, then; 'That's just how it's going to be, we will have to find out.' (...) At a time, a general I was talking with said: 'I understand, but the cuts have been made. It might be that this analysis was not so smart, but there are probably some other areas not analysed in the report. It will even out across the DDF' (L3, p. 21).*

It shows that the trials and the enrolment succeeded at silencing sceptics, albeit they were not as much silenced through the 'truth-claims', as they were forced to submit to the program. The participation of the DDF were to make sure that the consultants would not draw conclusions driven only by their 'best-practice' private sector inseminations. But the sceptics were enrolled into a program that assigned them isolated roles, hindering the mobilization of counterprograms.

Consequently, the politicians received 'de-politicised' report, which were not easily digestible within the DDF. They had submitted and were silenced, knowing that they had to find the best potentials with the timeframe, and that the coming DDA would rely on a framing arrangement, not detailed top-down implementation. They could adjust if necessary. An actor in the VFK elaborates on whether the new educational program was successful:

*'They would tell you that there are probably some things that we dropped the ball on, that we did not foresee would also have to be solved, and that they are struggling with. But that was a conscious choice (...) They are faced with a new frame, and have*

*to live with it, but soon they will begin to look for avenues for improvement, and it will slowly provide a reasonable situation again – they find new contacts, new supporters and new procedures for doing things. And then it will be good again.'*

The conclusions that the consultants drew and presented from the debated were weighed thus heavily and did not always allow for mobilization of the DDF (I7, p. 11). They silenced the DDF through their devices, making themselves as representatives for a program. The result is frustration, albeit this has limited implications for the mobilization – the focus is on restructuring so that the budget analysis yields can be realized in other ways. The human actors included in the process were silenced, and those that were excluded from the process (or the rest of it), are mobilized through continuous internal adjustments.

It did change the identities of the internal actors, although not into proponents of the purified changes, but adapters instead. In the case of FAK, this was actualized as following experiments to circumvent or come up with better ways for actualizing the yields. Herein the actor sought out ways to minimize the staff positions that were cut, from 14 to 8, by prioritizing those with higher salaries. Nevertheless, the personnel were very frustrated, which showed on the employee turnover:

*'People voted with their feet. And many said they did it because the terms for doing their tasks were worsened. And it got so bad that we were worried about whether we could continue to lift the tasks mandated by the politicians.'* (I3, p. 22).

This was likewise reflected on issues of recruiting new officers for the restructured education. It was highly criticized internally and externally, because of the means achieving of achieving the potentials. The new generation of officers were to be as good as the previous, on half the time. This also effectuated that certain courses were excluded, such as subjects of DDF management. And the finished students got complaints over their abilities (I3, p. 22-23). The new strategy were based on just-in-time/just enough, and if they are needed for tasks outside of the curriculum, they would have to get a separate course.

Our other example of the trials regarding the area of maintenance showed that the potentials were somewhat redefined through the process of enrollment. The scientific methods and inscriptions by the consultants were met with arguments over readiness, flexibility and safety. The corporate model is based on less capacities on site, but standby travelling technicians. Outsourcing was also debated

and thought impure this time. Potentials were identified and purified, leading to a mandated implementation – albeit it was hard to recognize:

*'We received some reports, also some we had made ourselves, where we pretty much knew had large uncertainties which were likely not formulated very well, and neither in the footnotes. It was not a problem for us to use them internally, as we all knew that. But now these data were taken in raw (...) Suddenly we got something back without any of the precautions. That is very, very dangerous when you have to compare things. (I7, 01:11:37-01:12:46).*

These precautions were the reason for the spans in potentials, but through the process of purification and translation, these happened to have their higher bounds 'purified' as risk-less 'truth-claims'. As the warnings were suppressed, it led to some dissent when it came back ignored. Their warnings did however seem to silence political critiques, inhibiting blame-games (I7, p. 12)

Consequently, the turnover rate of the officers and soldier rose, as the leadership had to find possible explanations for what is seen as a degradation of their terms. The primary explanation would hereon focus on the fact that they were subject to political wills, and that they wanted to redistribute allocations (I7, p. 12-13). As such, we see that the subject has not been depoliticized within the DDF. That dissent was shared by the unions, which had its interests set hereon from the start. Their alliance with the FC had not led to a stabilization. Their members increasingly found jobs in the private sector.

The dissent can however be attributed two categories; those that left and those that either read between the lines in the implementation plan, or do it exactly as planned in bad faith (I5, p. 11). The implementation had a pace which were hard to match, and the resulting spill-overs had consequences for their profession. These spill-overs were critiqued as it was represented in suboptimal HR, lack of materials and lack of food (I2, p. 8; I1, P. 18-19; Thomsen, 2017), eventually leading to a resignation.

The other category for dissenters is those that are do not quit, but follow the mobilization to some extent, questioning the stabilization. As previously noted, the implementation plan inspired some to search for alternative approaches to the ones purified. Officers who read between the lines for finding the expected yields in a less risky way. These are partially mobilized, albeit more so by the frame of translation. They make the best of the situation, however they can. Yet others submit to

the purification, implementing inscriptions which are based on 'truth-claims', but will likely not satisfy the needs and wants of the network. These can be likened to those that submitted to the consultant's instigations without resistance in trials, hinted earlier.

The effects of participation were expected to support the stabilization of the implementation. But the consultants were assigned the role of judges over the outcome of the analysis, filtering input into pure output, and sorting the impurities out of the political drafts. The impure herein were the uncertainties and doubt of whether the scientific methods could yield potentials.

A side effect was the political purification of allocating a bigger budget to the DDF, after the implementation of the budget analysis, albeit the cutbacks hinder some of the positives.

*'We cannot get the necessary people for this (red: upscaling of the DDF). Because we have to cut costs – we have spent too much money on other things, that they basically failed in budgeting. So the consequence will be that the wanted effect on the DDF, a raise - it won't be 100% realized, because we have failed on the evaluation of certain subjects, which turns out to cost more (...) I think that the biggest consequences from this is that we lose so many people that we will come to need professionals.'* (L2, 1:39:07-1:40:41)

The psychological effects from a raised budget are likely contributors to the mobilization, despite the controversial purification attempts. The fact that the final inscription was not received well is downplayed, as actors are busy restructuring both to implementing the 'black-boxed' plans or alternatives, while simultaneously the additional capacities. The wants of political actors in the network were mobilize to some extent.

This is also relevant for a trait identified within the network of the DDF: they are geared for executing orders and herein the DDA. Internal debate within the leadership take place till the moment of implementation, where; *'...and the decision has been made, then the system is so loyal. I've had my say, here comes the specific task, which I do by the rule 'No doubt, no hesitation''* (I6, p. 11). It is a core premise of their operations, as they are a unique organization which must be able to direct people to do even life-threatening tasks. The hierarchy and loyalty of the network has a non-neglectable effect on those that stay enrolled well through the implementation phase (I7, p. 12).

The debate on consequences and the mobilization will however require further analysis than what can feasibly be done here. The actors interviewed have various and conflicting takes on it, whereas

they all praise the effects of participation in the budget analysis phase and are inspired to mobilize on it. What is however commonly met is a skepticism of the truth-claims made by the consultants, as they feel that their contributions were filtered due to an asymmetrical language and understanding (I7, p. 10). The result has been that the consultants 'truth-claims' have not been de-politicized, wherein they regard the consultants as an instrument of political force (I1, p. 12; I6, p. 16). The resulting analysis is not a scientific inscription. It is a device of translation. This translation was aided in several ways by the participative budget analysis frame. It incited to an enrollment, that sought to eliminate controversies within the process and secure a mobilization. While it did not manage the first part, all the actors that contributed hereto shared faith in that the potentials would be realized, or mostly - but just not as planned.

The budget analysis thereby served the wants and needs of the political actors, and likely also the consultants. It will however not serve the DDF's actors, as they will require extra work and mobilization of mediators to reframe and redefine to suit their needs. The most important lesson for them was to be that their involvement is instrumental for future DDA-related budget analysis, and that they would need to be better at communicating their particularities to external actors (I6, p. 22; I7, p. 13).

## 4 CONCLUSION

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Our investigation reveals several implications to the mobilization suggested by the OPP. The enrollment of consultants was based on problematizing, political actors and implicit controversies regarding the budgetary framing. The result was to be a redefinition of the processes and inscriptions employed to modernize the DDF – consultants were embedded into a frame based on participation and thus a co-production of purified truth-claims, oppositely of earlier attempts. It would herein satisfy the identified needs and wants of the internal DDF actors as well as the unions - they want influence, as they understand the premise of the politically mandated tasks at hand and see that the budgeting frame is best co-produced from political intentions and specialized and internal insight.

Nevertheless, the instigation of the project was based on political wishes to attempt a form of retrograde budgeting, which infused the premise with a political bias. The consultants were enrolled to 1 bil.dkk without creating negative spill-overs on operational capacities, not to find whatever risk-

less potentials there were. Should these have a vested interest solidifying their 'expert' claims, they would have to enroll the DDF actors into finding realizable and certain potentials. It prescribed that (prototype) trials of strength would benefit scientific methods and experiences.

Nevertheless, several obstructions to a successful mobilization are found. The consultants embedded themselves in a position of power within the analytical process, wherein they isolated actors with specialized insight from the executive management of the DDF and the political agencies. Any co-produced analyses were to be filtered by a separate consultancy task-force before circulation onwards. This was demonstrated by how the potentials ended up conveyed to the politicians as both risk-less yet based on the desired risk-profile, and that the underlying implications were isolated into separate reports of almost a thousand pages. Their conclusion was simple. Yes, the mandated potential was identified, and no, it would not alter operations. It was so to say, both cheaper and better. As such, this truth-claims were 'black-boxed' from scrutiny, as implicit skepticisms were isolated and silenced as to provide the wants of the politicians. The consultants thus participated in the political and 'dirty' part of the translation, by establishing themselves in an asymmetrical power relationship, to adjust for the asymmetrical distribution of insights. It must however be conveyed that they had little choice than to do so, as of the political requirements.

There is identified two outcomes from this. First, the political objectives were satisfied, as evident of the consequent raise in budget. The consultants had managed to de-politicize the wish to modernize the DDF and adhere to political pledges, communicating them as rational through their inscriptions. Secondly, the structural and political obstructions within the processes managed to instill at mobilization, albeit not a purification of the accounting changes. The political wants from both the DDF leadership, the consultants and the politicians, inserted a bias into the outcomes, on which the internal actors were coerced or forced comply with. They did have the required language or time to initiate an attempt de-purify the attention-directing instigation from consultants, and enrollment into the process did not guarantee that their participation actually conveyed the identified risks and uncertainties onwards.

This thesis aims to contribute to the inquisitive investigation of consultants role as enablers of public sector accountings change projects, in which they are increasingly employed as fact builders (Chua, 1995 & 2007), which can legitimize management decisions and satisfy political requirements



(Lapsley & Oldsfield, 2001; Skærbæk, 2017, 2018, 2019; Christensen & Mortensen, 2019; Blom-Hansen et. Al. 2017), and can purify and stabilize attempts of strategic change with 'truth claims' (Skærbæk & Tryggestad, 2010; Latour, 1993, Douglas, 1992; Guénin-Paracini, 2010). It hereon contributes to the literature within accountings change and governance, where consultants are increasingly replacing the role of the MoF, and bases their inputs on political biases and arbitrary methods for generalization. Further research are hereon urged to continue the investigation of the inherent political use, or misuse, of the performativity of accounting inscriptions.

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## 6 APPENDIX:

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### 6.1 SEPARATE FILES/DOCUMENTS

- B1, Boston Consulting Group, Struense & Co. (2017); *Budgetanalyse af Forsvaret 2017*
- B2, Boston Consulting Group, Struense & Co. (2017); *Budgetanalyse af Forsvaret 2017, materialeindsamling – del 1*
- B3, Boston Consulting Group, Struense & Co. (2017); *Budgetanalyse af Forsvaret 2017, materialeindsamling – del 2*
- I1, *Interview 1 – Transcript - HOD*
- I2, *Interview 2 – Summary – HKKF*
- I3, *Interview 3 – Transcript - Head of section – FAK*
- I4, *Interview 4 – Summary – FLO*
- I5, *Interview 5 – Summary – LT. Captain – Navy*
- I6, *Interview 6 – Transcript – VFK/Airforce*
- I7, *Interview 7 – Summary – VFK/Airforce*
- L1, *Audio - HOD*
- L2, *Audio – HKKF*
- L3, *Audio - Head of section – FAK*
- L4, *Audio - Allan Jensen – FLO*
- L5, *Audio - LT. Captain – Navy*
- V6, *Video – VFK/Airforce*
- V7, *Video – VFK/Navy*

### 6.2 A1/ ABBREVIATIONS

ANT: Actor-network Theory

DDF: Danish Defense Force (in Danish, Forsvaret)

FAK: The Danish Defense Academy (in Danish; Forsvarsakademiet)

FC: Chief Commander of the DDF (in Danish, Forsvarschef)

FLO: The Danish army's civilians union (In Danish; Forsvarsarbejdernes Landsorganisation)

FMI: The DDF's material and logisticals agency

FRS: The MoD's department of accounting

HKKF: The Danish army's union for privates and corporals (in Danish; Hærens Konstabel- og Korporalforening: Soldaternes Fagforening)

HOD: The main officers union in Denmark (in Danish; Hovedorganisationen af Officerer I Danmark)

MD: Minister of Defense (in Danish; Forsvarsminister)

MF: Minister of Finance (in Danish; Finansminister)

MoD: Ministry of Defense (in Danish, Forsvarsministeriet)

MoF: Ministry of Finance (in Danish; Finansministeriet)

NAOD: The National Auditors of Danmark (in Danish; Rigsrevisionen)

NPM: New Public Management

PAC: The Public Accounts Committee (in Danish; Statsrevisionen)

SVK: The navy division og the Danish Defense Command (in Danish; Søværnskommandoen)

VFK: The Danish Defense Command (in Danish; Værnsfælles Forsvarskommando)



E1 – Budget Analysis Template, (B1, p. 22)

Det operative område

Tema: Struktur og koncept

Effektiviseringsforslag: 9

[NAVN PÅ FORSLAGET]

|   |                              |                         |              |
|---|------------------------------|-------------------------|--------------|
| Baseline                                  | • ÅV/mio.kr.                 | Potentiale              | • Potentiale |
| Beskrivelse af effektiviseringsforslag    |                              |                         |              |
| Konsekvenser og risici                    | • Konsekvenser:<br>• Risici: |                         |              |
| Forudsætninger                            |                              | Realiserbarhed          |              |
| Overlap til andre effektiviseringsområder |                              | Underbyggede materialer |              |

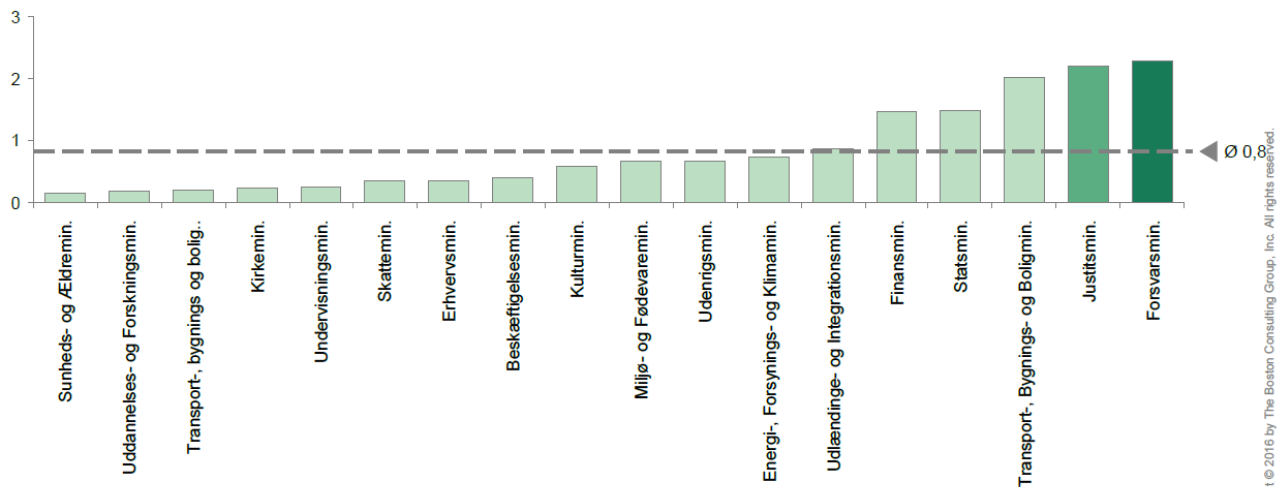
## E2 – Overtime/increment salary payout external benchmark (B2, p. 393)

### 2 Analyser

## Niveauet for udbetaling af over-/merarbejde i Forsvaret ligger betydeligt højere end øvrige myndigheder i staten

- Det gennemsnitlige udbetalingsniveau i 2016 for Forsvarsministeriet lå højeste blandt samtlige ministerier, hvorfor et effektiviseringspotentiale vurderes at være tilstede
- Udbetalt over-/merarbejde udgjorde 2,3 % af den samlede udbetalte løn i 2016 på Forsvarskommandoens<sup>1</sup> område. Til sammenligning lå det statslige gennemsnit i samme periode på 0,8 %, altså 1,5% lavere end Forsvarsministeriet

Udbetaling ift. lønomkostninger i %



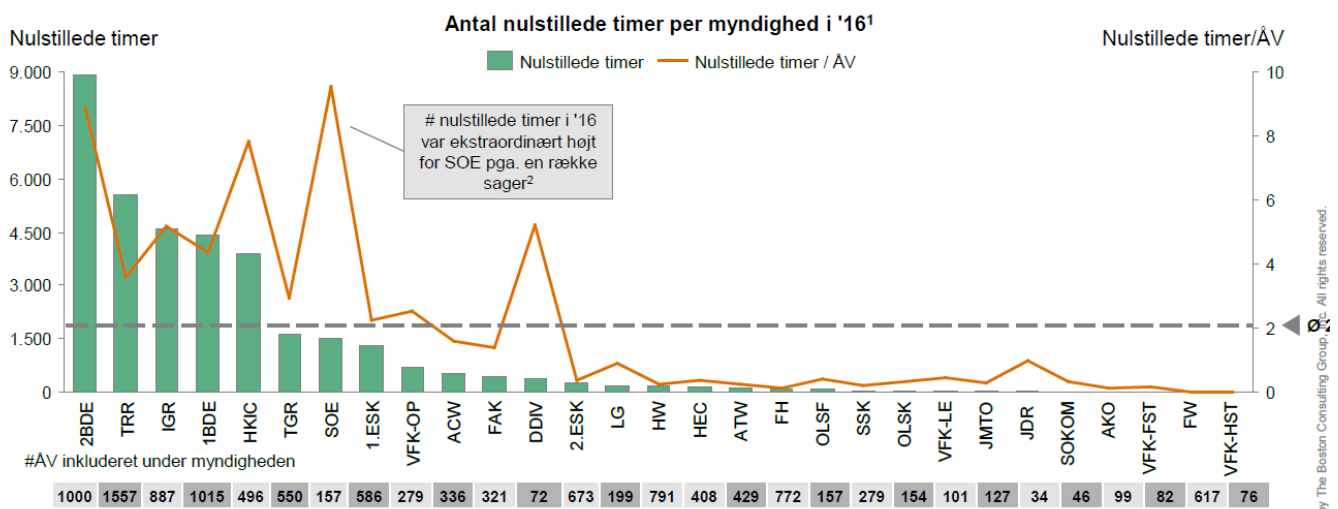
1. Den forhenværende Forsvarskommando antages at være sammenlignelig med det nuværende VFK.  
I 2016 lå udbetalingen ift. lønomkostninger på 2,3% for Forsvarskommandoen, 1,9% for Kriminalforsorgen og 2,5% for Politi og Anklagemyndighed. Kilde: Statens Benchmarkdatabase

### E3 – Incremental payout/Man-years for every division of the DDF (B2, p. 397)

#### 2 Analyser

## Forsvarets nulstillede i 2016 ~30.000 minustimer, og antallet af timer varierer mellem myndighederne

- Antallet af nulstillede timer i '16 var ca. 30.000
- Figuren viser, at myndigheder med mange soldater, som fx Brigaderne i Hæren, har et højere antal nulstillede timer end fx stabe og kommandoer. Det kan skyldes, at der ved operative enheder ofte er en mere kompleks indsættelses- og styrkeproduktionsvirksomhed, der stiller større krav til planlægnings- og tilrettelæggelsesproces jf. interviews i Forsvaret
- Variationen inden for myndigheder, der ligner hinanden, kan dog også indikere, at der er et muligt optimeringspotentiale ift. arbejdsplanlægningen



1. Myndigheder, der ikke er inkluderet har jf. FPS ikke registreret nulstillede timer for 2016<sup>1</sup>. 2. I '16 var der en sag i SOE, hvor døgnjenestevagterne ved Marinestationerne blev honoreret, hvilket efterfølgende blev kendt ulovligt. SOE er ikke regnet med i benchmark-analysen på næste side, da året ikke er repræsentativt jf. den faglige vurdering i FPS  
Note: ÅV er baseret på data trukket fra DeMars af Forsvarsministeriet (købt til data fra FPS)  
Kilde: FPS, FMN samt Cirkulære om aftale om Arbejdstid for tjenestemænd i staten

THE BOSTON CONSULTING GROUP STRUENSEE & CO.

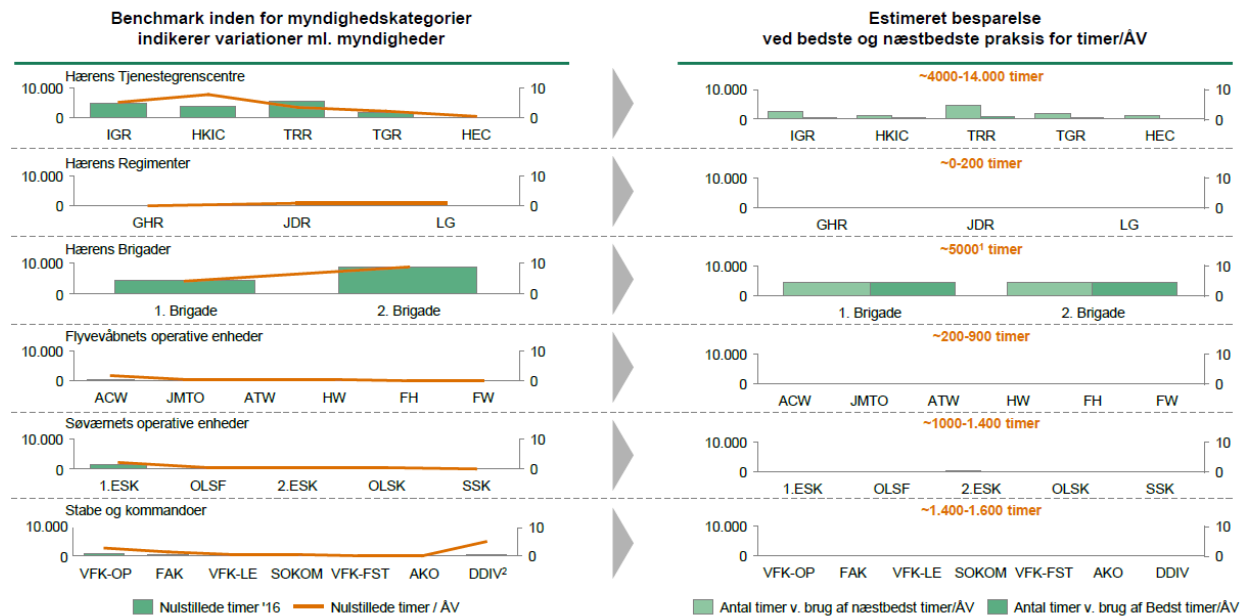
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## E4 – Internal Benchmark 'best-practices' (B2, p. 398)

### 2 Analyser

## Ved implementering af "best practices" kan potentielt spares ~11–22.000 nulstillede timer



**Estimeret samlet besparelse på 11.000–22.000 timer ved implementering af 'den bedste praksis' for planlægning**

1. Der er ikke udregnet et estimat for besparelse for næstbedste praksis, da der kun er to enheder i kategorien. 2. Af de taktiske stabe har kun DDIV registreret nulstillede timer i 2016.  
Source: FPS