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## Governance, tax and folk tales

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## A B S T R A C T

This paper develops a particular narratological approach to analyse a common category of narratives: individuals' accounts of their organization's context and purpose. In two phases of interview research with 45 senior UK accounting professionals (tax officials, tax advisors to, and tax directors of, multinational companies) we focus on a pivotal period in the governance of UK taxation. We advocate analysing what ordinarily could be called 'real world' narratives about this context ('tax tales') as if they were folk tales. This approach draws on an influential analysis of folk tales by Propp. Our theoretical contribution is to show how features of strong or dominant plots, of the kind that structure folk tales, also help accounting professionals to make sense of this complex governance environment. This helps us understand personal projects of sense making in a context that is technically, legally and morally complex and has implications for governance, for policy, and for accounting as a professional project.

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## Introduction

We use narrative analysis to study a recent, pivotal period in the governance of taxation in the UK. Our contribution is to show how a Formalist approach to narrative (explained in depth below) helps us understand personal projects of sense making in a context that is technically, legally and morally complex. In doing so, we provocatively advocate thinking about what ordinarily could be called 'real world' narratives about the governance of taxation ('tax tales') as folk tales. This leads to novel insights because by invoking the structure of the folktale we move beyond considering the content of a narrative, the 'story', to reflecting on how that content is organised, the 'plot' (a distinction that can be traced as far back as Aristotle's *Poetics* and *Rhetoric*; Morrell, 2012). This approach concentrates attention not simply on the component parts of a narrative, such as the events that are related, but on the relationship of these components to one another and on their role within the narrative as a whole.

Our theoretical contribution is to show how features of strong or dominant plots (Czarniawska & Rhodes, 2006); of the kind that structure folktales (Propp, 1928), also help accounting professionals to make sense of this complex governance environment. This has implications for how we understand accounting as a professional project. We extend understanding of narratives as sense making projects by detailing the role emplotment plays; where emplotment is, 'introducing structure that allows making sense of the events reported in a narrative' (Czarniawska, 2012a: 758). The paper begins with a brief account of the broad theoretical context of work on narrative in organization studies, moving to a more detailed consideration of Propp's Formalist framework, and introducing the idea of emplotment (White, 1973). It then moves on to discuss the context for the research – taxation, and the empirical data: two phases of interview research just prior to, and shortly after, the creation of a new body for overseeing the governance of taxation in the UK: Her Majesty's Revenue & Customs (HMRC). In our analysis we show ways in which interviewees resolve attendant complexities in this context by enacting personal projects of sense making, and we conclude by identifying some implications that follow from treating 'tax tales' as folk tales.

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## Narrative and sensemaking

Narratives help us make sense of social phenomena (Barry & Elmes, 1997; Boje, 1991; Czarniawska, 1997a, 1998; Weick, 1995). Their role has become increasingly prominent in the study of work and work organisations (Bartel & Garud, 2009; Benjamin & Goclaw, 2005; Chreim, 2005; Gabriel & Griffiths, 2004; Green, 2004; Morrell, 2008). Narratives are central to how innovations are spread and interpreted (Abrahamson & Fairchild, 1999; Bartel & Garud, 2009). They are ways to understand the justification for power and the actions of power (Benjamin & Goclaw, 2005; Chreim, 2005; Mueller & Carter, 2005) and they help show how the practice of management is carried out (Alvesson & Sveningsson, 2003; Watson, 1995). As, 'a form of social life, and form of communication' (Czarniawska, 2010: 59), narratives play an important part in how people thread their way through complexity in their day to day work. They help to reduce confusion and ambiguity, and to make contradictions manageable, allowing us to make sense of experience as well as being a means of sharing that experience (Gray, 2010; O'Leary and Chia, 2007).

Within *Accounting, Organizations & Society* (AOS), interest in the role of narrative encompasses work identity (Gendron & Spira, 2010), the culturally artefactual nature of accounting (Arrington & Francis, 1993; Gray, 2010), and, more specifically, processes such as disclosure (Aerts, 1994; Nicholls, 2010), reporting (Cho, Roberts, & Patten, 2010; Nicholls, 2010; Preston & Young, 2000), and audit (Nicholls, 2009). 'Narrative' is used by AOS scholars to describe their own research strategy or empirical analysis (Brivot & Gendron, 2011; Jørgensen & Messner, 2010; Kornberger, Justesen, & Mouritsen, 2011; Suddaby, Cooper, & Greenwood, 2007), as well as to review other research (Botzem & Quack, 2009; O'Dwyer, Owen & Unerman, 2011).

Here we provocatively advocate treating 'tax tales' – accounts by representatives of Multinational companies (MNCs), tax advisors from the 'big 4' firms of accountants, and officials at the UK revenue service – as a particular kind of narrative: a folk tale. This allows us to employ a particular method of analysing narratives, thereby systematically developing a specific approach to working with narrative and sense making. This is noteworthy because, problematically, narrative is used very broadly, 'multiple uses have caused some ambiguity to be associated with the term and have sometimes led to a lack of clarity and precision' (Polkinghorne, 1995: 5). Our aim is to offer a very clear application of a specific body of ideas relating to analysis of narrative, and to hone in on the notion of emplotment (Czarniawska, 2010, 2012a; White, 1973). The consequent theoretical contribution is to show how this helps us understand personal projects of sense making in a context that is technically, legally and morally complex. This has implications for how we understand accounting as a professional project, as well as implications for the governance of taxation.

Though, as our summary review above indicates, 'narrative' is used very widely, we can start with a simple and

broad definition of the term narrative as 'representation of events'. This definition has common features with the most influential approaches to defining narrative to date (Rudrum, 2005). Clearly, many things could potentially summarise events: lists, tables, calendars and so on. Yet these are not what we would ordinarily think of as narrative. Narratives (following Barthes, 1977; Bruner, 1990) are typically: (i) chronological, (ii) about a person or persons, (iii) related by someone and (iv) have a context. It remains difficult to specify exactly what would (would not) count as narrative (Pentland, 1999), but Rudrum (2005: 197) suggests we have a tacit faculty for deciding this – 'narrative competence'. Greater clarity about this, and about our approach here, comes from a more detailed description of the theorist we draw on in this paper, Vladimir Propp.

## Propp's framework

Vladimir Propp's *Morphology of the Folk Tale* (*Morphology*) was first published in 1928. Given its cultural and political context, the work suffered as it was not published outside of Russia for several decades. Its rediscovery some thirty years later led to great interest in Formalist approaches to narrative and its, 'influence on structural analysis is elemental in literature research' (Lamberg & Pajunen, 2005: 951). It is 'Formalist' because Propp is not interested in analysing the subject matter of particular folk tales, which was the preoccupation of his contemporaries, instead he is interested in the folk tale *per se*. He seeks, 'an examination of the forms of the tale' (Propp, 1928: xxv).

The focus of folklore scholarship before Propp was to analyse and compare content (a focus on the story): either to study and compare motifs, themes or elements within tales, or to categorise tales. To do this many folklore scholars relied on a distinction made by Miller in the nineteenth century between tales of: (i) fantasy, (ii) everyday life, and (ii) tales involving animals; others used Wundt's differentiation between (i) mythological folk tales, (ii) pure fairy tales, (iii) biological tales and fables, (iv) pure animal fables, (v) genealogical tales, (vi) joke tales and (vii) moral fables. Propp's more recent contemporary, Volkov identified 15 categories of fantastic tales in 1924. These include fantasies that feature the hero-fool, or three brothers, or deal with magical objects, or the search for a bride, or an unfaithful wife. Similarly, the Aarne-Thompson classification system identified 7 categories, including: a supernatural adversary, or a supernatural spouse, or a supernatural task and so on (see Propp, in Wagner, 1968 for a review).

Propp identified that each system, though workable to a degree, is also unstable. Miller's categories overlook that tales relating to animals often include elements of the fantastic or everyday, or a combination. The same kinds of actions can be carried out by animals, by people and by (magical) objects – so even though characters may differ, the tale remains unchanged at heart. Wundt's, Volkov and Aarne's frameworks are open to the same criticisms. Some animal fables are moral ones (contra Wundt); a magical object can help deal with an unfaithful spouse (contra Volkov); or a supernatural task can be addressed via a supernatural helper, who is also the spouse (contra Aarne).

Contemporary accounting scholars may see that Propp identifies a quintessential problem with content analysis of qualitative data. If we devise a coding frame, or try to identify discrete themes, we face the impossible task of determining categories that are simultaneously parsimonious, exhaustive and mutually exclusive (Robson, 1993). Propp's solution – the key and most insightful departure in *Morphology* – is to analyse these tales in terms of *functions*. Functions are the actions characters perform (or are subject to) but their significance is not simply understood in terms of the nature of the action, nor who performs it – they are not simply themes. Instead, functions are understood in terms of their role in the tale as a whole – they are component parts of a tale. As a brief example, the action 'transfer of money' might be identical in two tales, but this identical act can have very different meanings. In one tale the money could then be used to buy a magical object, in another it might be the final reward, signalling the end of a tale. The preoccupation with function is a feature of Formalism which is concerned with how content is organised, and underlying structure, rather than the particular features of the content itself. Propp (1928: 18) defines his project as, 'a description of the tale according to its component parts and the relationship of these components to each other and to the whole'. This, in essence is to emphasise plot rather than story, using a distinction that can be traced back to Aristotle (links between Formalism and Aristotle are discussed in Morrell, 2012: 94).

After exhaustive analysis, Propp identified 31 functions which feature in the paradigm Russian folk tale. He classifies each according to the role they play in the tale. We list and apply these functions in the analysis section below, but to continue to develop the difference between (i) thematic content (story) and (ii) functions as component parts of a tale (plot), it is useful to give a more detailed example first. Function 15 is 'The Hero Is Transferred, Delivered, Or Led To The Whereabouts Of An Object Of Search' (Propp, 1928: 50–51). Across different tales this same function is manifest in different ways. For example (and this is listing the same function in twenty different folk tales), the hero could fly, either on horseback, or on a giant bird, or a flying carpet, or go on the back of a giant, or a spirit, or in the carriage of the devil. They could go on foot, or on the back of a horse, or wolf. They could climb a stairway, use an underground passageway, descend into the earth using leather straps, or a cat could travel on the back of a dog, or a person with no hands could carry someone with no legs. They could travel on a ship, or cross a body of water on the back of an enormous pike. They could be shown the way by a ball of thread, or a fox could lead the hero to the princess, or a hedgehog could point the way to a kidnapped brother, or (a staple of horror) they could follow a set of bloody footprints. The insight Propp's Formalist perspective offers us is that these richly different features of individual stories are essentially similar in terms of the function they perform in the plot of the folk tale.

Propp's final account of functions gives us, 'the structure of the folk tale as a whole and formulates its compositional laws' (Pirkova-Jakobson, 1958, no page). Deaver (1996: 180) summarises Propp's analysis:

all folktales follow a set pattern. . . the hero undertakes a trip and is given a prohibition. He [sic] violates this prohibition and is branded, but he receives a magic gift from a donor. This allows him to thwart a villain. He then returns unrecognized and is captured. After performing a difficult task which leads to his recognition, he earns a reward (usually marriage), and ascends to the throne.

Propp's method has been developed in other structuralist approaches to narrative (Bal, 1985; Polkinghorne, 1995), as well as continuing to inform contemporary applied fields such as the study of artificial intelligence (Lang, 2010). In organization studies, Lamberg and Pajunen (2005: 948) suggest, 'Propp's theory of the folktale structure may function not only as a morphology of folktales, but also as a structural model of any process that includes crisis and recovery'. Dundes makes a similarly broad argument for the continuing real-world relevance of Propp in the introduction to the second edition of *Morphology* asking, 'To what extent is the structure of the fairy tale related to the structure of the ideal success story in a culture?' More broadly still, folk tales, as part of collective culture, are one of the earliest ways we have of making sense of the world and therefore a source of strong or dominant plots (Czarniawska & Rhodes, 2006). They supply familiar, perhaps even culturally universal, conceptual inventories. The way we use Propp here is to apply his approach to analysing folk tales to 'tax tales'. In doing so, we extend understanding of narrative analysis by showing the role that dominant plots play in personal projects of sense making. Central to our analysis is a more contemporary term in narratology: *emplotment*.

*Emplotment* is a term coined by the historian Hayden White (1973). White was concerned with what made history more than a retelling or chronicling of events, and with the problem of the impossibility of reproducing events in all their complexity and detail in texts. Montrose describes this as the inescapable, 'textuality of history': no matter how sophisticated, or intricate our descriptions of historical events are, they are always mediated by texts:

we can have no access to a full and authentic past, a lived material existence... textual histories necessarily but always incompletely constitute in their narrative and rhetorical forms the 'history' to which they offer access' (in Rivkin & Ryan, 1998: 781).

The identification that history is always more than simply factual chronicle resonates with debate within AOS on gendered accounts of the profession and the nicely expressed need for an accounting 'herstory' (Kirkham, 1992; Lehman, 1992). For White, *emplotment* furnishes, 'the "meaning" of a story by identifying the *kind of story* that has been told' (1973: 9). *Emplotment* is an act that involves moving beyond mere chronicling or sequencing of events to the telling of a story (Levisohn, 2002); 'introducing structure that allows making sense of the events reported in a narrative' (Czarniawska, 2012a: 758; see also Czarniawska, 2010, 2012b). In the context of our paper, *emplotment* is a way to understand how narratives provide structures for sense-making. Below we show how

narrators of 'tax tales': tax officials; tax advisors to, and tax directors of, multinational companies; create and impart meaning by arranging events into familiar conceptual inventories. We argue that in doing so they draw on the form of a particular kind of narrative: the folk tale.

### Context and data

Taxation is complex not simply because of the legal framework governing corporate activity, but also because of: the tension between enforcement and compliance; and the mutually constituted identities and history of government agencies, and those whom they seek to regulate (for recent, relevant reviews see [Blanthorne & Kaplan, 2008](#); [Hanlon & Heitzman, 2010](#)). In terms of the relationship between tax agencies and taxpayers, [Pentland and Carlile \(1996: 284\)](#), in a study of the US Internal Revenue Service, identify that, 'interpretation and application of the tax code is highly contingent upon the character of the interaction between agent and taxpayer'. Preston demonstrates – an apparent paradox – that greater accounting and tax expertise by taxpayers can actually create compliance ([Preston, 1989](#)). These dynamics show taxation to be a mutually negotiated and enacted social process with its own institutional history and traditions ([Boden, Killian, Mulligan, & Oats, 2010](#); [Gracia & Oats, 2012](#); [Kaplan, Reckers, & Roark, 1988](#); [Lamb, 2001](#)).

The relationship between government agencies and multinational companies (MNCs) is especially complex ([Pentland & Carlile, 1996](#); [Preston, 1989](#); [Shah, 1996](#)). Unlike most other taxpayers, MNCs are frequently in a position of power when dealing with national governmental agencies. They have the capability and resources to work across national boundaries and jurisdictions and to innovate in ways that can reduce tax exposure as well as to take advantage of ambiguities or incompleteness in legislation. Often in taxation the law is incomplete, or open to interpretation, and (inevitably) omits to foresee the tax implications of specific and particular circumstances associated with financial innovations, or especially complex transactions. MNCs have the resources to deploy specialist expertise to negotiate on these areas. Moreover, they are powerful as significant contributors to national economies, not just through the payment of taxes, but also by providing employment which contributes to Gross Domestic Product and provides a larger pool of taxpaying individuals. Many MNCs have the ability to move tax jurisdiction ([WPP, 2007](#)). This comparable parity in power chances (which is unlike that between HMRC and the typical citizen) makes the relationship between government agencies and MNCs interesting. As we show, this greater parity in power chances, as well as the ongoing, processual, and at times combative dimension to such relationships chimes with aspects of struggle and opposition which are at the core of folk tales.

We examine a recent, pivotal period in the governance of taxation in the UK in two phases of interview research shortly before (2001–2004), and shortly after (2006–2007), the forming of HMRC (in 2005). This followed the merger of Inland Revenue (IR), which dealt with direct taxes including income taxes and corporate

taxes, and HM Customs & Excise (HMCE) which dealt with indirect taxes. A feature of this period was that MNCs indicated the tone and stance of the UK tax administration had changed, and specifically that HMRC was more confrontational than its predecessors. They argued this was affecting the competitiveness and attractiveness of the UK. Public pronouncements by HMRC ([Hickey, 2005](#)), the Tax in the Boardroom agenda ([KPMG, 2004](#)), the PricewaterhouseCoopers report on Total Tax Contribution ([PWC, 2005](#)), and specific legislation requiring the disclosure of tax avoidance schemes introduced by the Finance Act 2004 contributed to this sense of a more confrontational context for tax governance. Hickey identified a trust gap in his 2005 Institute of Chartered Accountants in England & Wales' Annual Hardman lecture. Evidence of a lack of trust between HMRC and MNCs was implicit in two influential policy documents specifically relating to MNCs: the *Tax in the Boardroom Agenda* ([HMRC, 2006a](#)) and *Working with Large Business* ([HMRC, 2006b](#)).

We draw on two distinctive features of Propp's framework: (i) characters, and (ii) functions; to analyse narratives in this context. Our interviewees were senior tax advisors to, and in, MNCs and senior representatives of the UK Inland Revenue (IR) – later HMRC. Our empirical data primarily comprises 45 semi-structured interviews conducted by Penelope who has extensive, specialist expertise in the area of tax. 33 of these were carried out in the period 2002–2004 with senior tax officials, tax partners of a 'Big 4' accountancy firm and a number of tax Directors of FTSE 100 companies. These interviews offered insight into the changing context for taxation and the backdrop to the creation of HMRC (though we did not know at the time that this specific reform was to take place). Subsequently, a further 11 semi-structured interviews, again with senior informants, were carried out between June 2005 and January 2007 thereby (alongside documentary analysis) providing a longitudinal dimension to the research. As a final stage of interview research, we carried out several more interviews with MNC agents and public officials. We draw on one of these interviews (with a MNC agent) in September 2010. These were used to sense-check the extent to which fundamental aspects to the context for taxation persisted through this ten year period. Basic detail about our interviewees is shown in [Table 1](#).

[Table 1](#) shows interviewees and job titles ('Position'), with codes for the purposes of attributing direct quotes. This table also shows the approximate number of years after qualifying of each interviewee at the time of interview (each interviewee in both public and private sector would have several organizational tiers below them). The value of showing this is not simply to indicate seniority, but also to show that we elicited narratives from individuals who were steeped in their respective institution's history and context, and who had a profound understanding of a complex governance environment. Each interview lasted for at least 60 min, with the longest being approximately 120 min. The vast majority were taped and transcribed (approximately 330,000 words of transcript). This was not possible on two occasions where consent to

**Table 1**

Schedule of interviews.

N	Code	Position	Years post-qualifying	Organisation	Date
15	C1–C15	Financial Directors and tax managers	10–30	FTSE 100 groups	February 2001–December 2003
5	A1–A5	Tax Partners	15–35	Big 4 accountancy firms	September 2002–March 2003
13	IR1–IR13	IR officials SCS 1 & SCS 2	15–35	Inland Revenue	February 2003–May 2004
<i>Merger of IR &amp; HMCE to form HMRC April 2005</i>					
2	P1–P2	Tax Partners	10–15	Big 4 Accountancy firms	June 2005–June 2006
4	D1–D4	Tax directors	15–25	FTSE 100s	June 2006–January 2007
4	HMRC1–HMRC4	Case Directors LBS officials SCS 1	20–30	HMRC	September 2005–October 2005
1	TO	Tax official grade 7	10	HMRC	October 2006
1	D5	Tax director	35	FTSE 100	September 2010

being recorded was not given. In these cases, since interviewees were happy nonetheless to proceed, notes were written up immediately after the interview, to supplement notes taken during the interview (standard protocols and assurances relating to informed consent, anonymity, protection of data, right to withdraw, retract, speak off the record, and so on were given to all interviewees). We also draw on relevant documentary data from HMRC (formerly Inland Revenue), public speeches, Select Committee testimony, MNCs, and commentators from the tax professional press (HM Treasury, 2010; HMRC, 2006a, 2006b, 2010; Houlder, 2010; Inland Revenue, 2003; KPMG, 2004; Mears, 2010; Montagu, 2002; OECD, 2008; WPP, 2007).

Our research aim was to examine the extent to which Propp's approach to narrative could help us to understand this complex, combative taxation environment in ways that other methods would miss. To do this, we examined two core research questions (Propp, 1928: 21):

1. How does the emphasis on characters help to analyse this context?
2. What advantages does interpretation in terms of functions have over other methods?

These research questions are fairly simple and straightforward in the sense that they follow from our review of Propp's method. To address them, in analysing interview transcripts and documentary data, we used what we call a 'strong' reading of *Morphology*. By 'strong' we mean we are not using his method simply in an analogous or metaphorical way, but that we are more faithfully following his research strategy (see e.g. Lamberg & Pajunen, 2005). At the same time, we use 'strong' to distinguish our research strategy from a 'literal' application, which would imply treating the 'tax tales' of our respondents as equivalent to the fictional narratives within folk tales. A strong reading allows us to see specifically what benefits a Formalist approach can bring to the study of this context without committing to a naive realist application of *Morphology*.

The advantage of research carried out over time is the potential to explore historical context. A narrative approach is also consistent with this goal – using our adopted definition of narrative as 'representation of events'. This research period is particularly interesting, and (for the same reason) it is also 'bounded' to a degree in chronological terms, because the HMRC was formed on 18 April 2005. This setting offered a natural experiment in large scale

governance reform, and our data provided a historical aspect that was very suited to using Propp's characters and functions schema. We had the ability to analyse accounts of the governance of taxation both before and after this pivotal event.

### Findings and discussion: characters

Propp describes how functions are distributed among seven characters: (1) villain, (2) hero, (3) helper (who assists the hero, for instance with a journey), (4) donor (who gives the hero powers or a magical object), (5) princess and her father (these are not separate, they represent the typical object of a quest, and its reward for the hero, sometimes called 'the prize'), (6) false hero, and (7) dispatcher (who sends the hero on their mission). Consistent with a strong, rather than literal reading, in our analysis we found that the identity of characters was not fixed and instead depended on perspective. This underlines that although we pursue a realist orientation here, we are also inevitably presenting our own narrative, and also expressing or reflecting points of view. For instance, and most simply, both HMRC and MNCs can take on the form of hero (or villain) in different contexts. Additionally, HMRC or MNCs could be simultaneously understood in terms of more than one of Propp's characters.

To illustrate this at its simplest level, from an HMRC perspective, the MNC can be a 'villain' in that they undertake tax avoidance activities which minimises, by legal means, their exposure to UK taxation. This consequently reduces the money being received by the Exchequer. In extremis, some MNCs can even threaten to relocate to do this as one FTSE Tax Director intimated:

I think that the tax environment has changed and it's changed quite dramatically. It's changed for the worse rather than for the better... in order to keep the same competitiveness it actually should change for the better because other factors outside of the UK tax system are changing favourably, that means that we no longer mean to concern ourselves if companies don't want to, with the UK tax system (FTSE tax director, D3, 2006).

Despite such threats, as legislation continues to emphasise, these large multinationals must be governed by HMRC in such a way that they pay their fair share of taxation (House of Commons, 2012).

Having looked at this from an HMRC perspective, if we imagine the perspective of the wider public, there could be connotations of villainy to MNCs, since tax avoidance cases can be very prominent in the media and take a long time to resolve. For example, Vodafone was in dispute with HMRC for 10 years over a tax avoidance scheme relating to the purchase of Mannesmann, a German company. This case proceeded through the Court system to the UK Court of Appeal. Vodafone recently negotiated with HMRC to settle the outstanding dispute which amounted to £800 million plus £450 m payable over five years (Houlder, 2010). Even so, HMRC is an unlikely hero from the public's point of view given its role in regulating personal taxation. Finally, and again in simple terms, we might imagine that from an MNC perspective HMRC could be regarded as a villain if it is seen to be unreasonable. Indeed, shortly after the creation of HMRC, MNCs argued that increasing business taxes, and the additional inconsistency and complexity of tax rules, was undermining the international competitiveness of the UK (Duncan, 2006).

In our interviewees' 'tax tales', we could clearly see the potential for the identity of HMRC to shift in a way that is uncharacteristic of a folk tale character, but which is consistent with the idea that creating personal narratives can be a guide to sense-making.

I meet with Dave Hartnett [then Director General of HMRC] from time to time, we speak together in conferences and at various meetings and others, at a senior level in Revenue and Customs, and the actual practical dialogue is still in my opinion very civilised and very appropriate and very constructive. So it's really the tone of these public pronouncements which seems to be inappropriate rather than the actual conversations that are taking place (FTSE tax director, D2, 2006).

This extract illustrates how HMRC (stereotypically understood as villain from an MNC perspective) could also be seen as another of Propp's characters – the 'helper' and shows how personal tales about this context may differ from received versions of public tales, where private companies and HMRC are understood as in opposition. It also suggests there may be a politically motivated desire to sustain a public narrative of hero–villain combat which may run counter to the necessary compromises required to resolve disputes between a local agent (in the sense that, as a national body, HMRC is 'local') and a global one (an MNC). To negotiate successfully in the middle of such complexity, both officials and representatives of organizations would need to have in mind the structure of the whole tale, and not focus simply on themes of the day, the inappropriate 'public pronouncements' referred to above. These layers of complexity are missing in folk tales since these have one narrator and one audience. However, the language of hero/villain, combined with an emphasis on the tale as a whole is informative in analysis precisely because it throws into relief the complexity of these interrelations, and it also shows how the component parts of the tale need to be understood in relation to one another.

Alongside these public, oral tales we could also use Propp's characters to analyse the kinds of narrative related in policy documents, where the hero could be understood

as the government of the day, with HMRC acting on their behalf as helper:

The Government wants to make sure that everyone pays their fair share of tax and claims their proper entitlements [this] forms the foundation for stable public finances and world-class public services' (HMRC, 2006b: 2).

This simple narrative is explained well in terms of three of Propp's characters (above): Hero (Government), Helper (HMRC), and Princess–Father or 'prize' ('world-class public services'). As one might expect however, the HMRC officials to whom we spoke expressed a clear sense of service and public ethos. This suggests that from their perspective, their ultimate task ('prize') was to benefit the public rather than simply to act as helpers to government. The following extract illustrates this:

A £300 m provision saving £100 m worth of tax, may actually be a drop in the ocean as far as that corporate's concerned but it would still buy an awful lot of hospital beds in the United Kingdom (HMRC official, HMRC1, 2005).

In this brief extract, which itself encapsulates a tale, we see the first example of emplotment – where an HMRC official places themselves in a narrative about tax avoidance. They make sense of their role and institution's purpose by casting themselves as heroic making reference to, arguably, the most noble use of tax revenue – buying hospital beds (rather than, say, improving the road network or supporting refuse collection).

It is important to emphasise that in our analysis using Propp here, from which it follows that this official is casting themselves in a heroic role, we are doing more than making a comparison with a folk tale at the level of theme (we are not just saying that both tales can be said to have heroes). The value of using Propp's framework is that it shows how the 'hero' character plays a role in an unfolding narrative in relation to other characters. The extract above is not just informative about the content of the narrative or the 'story' (simple comparison between their role and a hero figure). Instead we are suggesting that a 'plot' is at work here, (what Czarniawska, 2004 calls a 'strong plot'). In other words, these events are being mapped onto a certain kind of narrative, one that is very well explained in terms of Propp's framework: it is a tale of combat where the revenue official casts themselves as hero, the government is the helper, the prize is increased public revenue, and the MNC is villain. Key to understanding this tale is a narrative arc: an account of how these characters interact with each other as the tale unfolds. In other words, as a rich example of emplotment it is an example of where, 'the "meaning" of a story' is given by, 'identifying the *kind of story* that has been told' (White, 1973: 9).

In what is a departure from the folk tale, there are likely to be differences between public pronouncements – or an official tale – and individual interpretations relating to personal purpose and identity. More than this, in 'tax tales', we can readily identify different narrators in the same context (unlike in the folk tale where the narrator is constant). For example, perhaps a more straightforward application

of Propp's framework comes if we consider the role of MNCs, since the MNC's own helpers (tax directors) always have recourse to appeal to the interests of their shareholders.

We are not in the business of paying tax any more than we have to, and it is often overlooked by revenue officials that the directors of these companies have fiduciary duties to their shareholders... paying excessive amounts of tax isn't the way you discharge your fiduciary duties (FTSE Tax Director, C13, 2003).

This is another instance of emplotment, and tells a completely contrasting tale, but it uses the same basic story structure – the difference here being that the individual casts themselves in the role of helper rather than hero. The role of the hero (MNC), assisted by the helper (Tax Director), is to seek the Prize (shareholder return), in a struggle with the villain (HMRC). Together, Propp's basic analytical framework, and the concept of emplotment, help us understand how completely contrasting 'tax tales' (each from a particular perspective) can be interpreted as narratives with their own structure and logic that support sense-making.

### Findings and discussion: functions

*Morphology* details a strict and particular sequence of 31 functions. Again consistent with a strong rather than literal reading of Propp, we did not find exact matches for all of the same functions in this case study. However, we did find quite striking parallels and the implications of this are intriguing. Contemporary accounts of the context for governance of the UK tax system (perhaps by extension any 'governance tale') do seem to mirror certain defining characteristics of the folk tale. An obvious question here is whether we in our analysis are revealing, or imposing such parallels, but – in either case – one implication is that there may be deeper, underlying structures for sense-making that inform both how we construct and recall simple folk tales, and how we explain complex environments. It may be that stories we learn at a very early age establish conceptual inventories that we unconsciously apply to make sense of more complex terrains in later life. This does not necessarily imply any determinism or deep structure, instead these 'strong plots', 'are strong because they have been institutionalised, repeated through the centuries, and well-rehearsed with different audiences' (Czarniawska, 2004: viii).

Below, in Table 2 (in the first column) we outline the 31 functions and summarily describe them. This paraphrases Propp's more detailed descriptions, but each description is sufficient to give the essence of each function. The resulting schema is an original analysis of this case and context that an approach focused on content would not be able to generate. It suggests ways in which narratives about taxation can be structured so as to make sense of complexity through emplotment. This account of Propp's functions supplements the two examples above based on his characters (from the perspectives of an HMRC official, and a FTSE Tax Director). Combined with column 2, which illustrates where these functions have parallels in our 'tax tales', the

table embodies a (Formalist) narrative analysis of our qualitative data: where themes interlock to reveal that a kind of tale is at work here. It summarises the corpus of 'tax tales' (stories) from both phases of the interview research, and documentary data, in a way that offers a sequenced, context-sensitive interpretation that relates the component parts of the tale to the tale as a whole (plot).

In a folk tale, the hero and the villain remain the same characters (though they may not be recognised as a hero or villain until the end of the tale). This constancy was a feature of individual 'tax tales' but of course attributions of role depend on the narrator's perspective (as we showed above with contrasting tales of HMRC as hero/helper and FTSE Tax Director as helper). To show this, our table (though only outlining one perspective) underlines that there can be changes in attributions – such as hero/villain – because it specifically represents a point of view: a perspective with the MNC as villain. This integrative account allows us to summarise a great deal of content-rich data because Formalist analysis shows how to move from many stories to the general form of a kind of narrative.

For concision, the functions and a translation into this context are only outlined in Table 2. This is by no means a detailed narrative, it simply shows the skeleton of one and the scope for further development of Propp's approach. To apply this in greater detail, we now focus on the basic narrative arc that Propp identified as a feature of all the folk tales he studied. This arc involves three functions: interdiction > violation > prize and takes us from the beginning to the end of the tale. Offering more detail on this adds some flesh to the skeleton account of functions shown in Table 2. It also supplements the analysis of emplotment based on characters above.

Drawing on our interview and documentary data, below we offer illustrative extracts which show how the three functions in Propp's folk tale were closely paralleled in our 'tax tales'. Initially, we offer examples of each stage, we then conclude with some extracts that we think show how our interviewees linked all three stages in ways that helped them make sense of the complexities in taxation. These are acts of emplotment – where interviewees resolve complexities in this context, in personal projects of sense making.

*Interdiction – warnings not to do something (or instructions to do something)*

Propp identified that folktales typically have a command near the beginning (don't go into the forest, don't speak to anyone on your journey, and so on). In this context, the ultimate source for interdictions is legislation and the categorical differences between tax evasion and tax avoidance: tax evasion is an illegal activity (Blanthorne & Kaplan, 2008; Kaplan et al., 1988); tax avoidance is lawfully trying to minimise or avoid paying tax, with further distinctions being made between unacceptable ('aggressive') or acceptable forms of avoidance. Definitions of aggressive tax planning are open to debate and often contentious (Freedman, Loomer, & Vella, 2009; OECD, 2008). In the UK, prior to the establishment of HMRC, and since, this distinction has arguably become even less clear owing

**Table 2**  
A narratology of the tax tale – from the perspective of MNC as villain.

1. Family member leaves home / hero introduced		Creation of HMRC / Introduction of new leadership/government
2. Interdiction to hero.	}	Legislation, mandate and authorising environment
3. Interdiction violated (or command fulfilled).		
4. Villain reconnaissance.	}	Complexities relating to distinction between Acceptable / Unacceptable Avoidance, strategies for avoidance by MNCs and financial service providers
5. Villain gains information about victim		
6. Villain tries to deceive victim/capture victim or their belongings		
7. Victim taken in by deception		Successful (from MNC perspective) avoidance
8. Villain harms family member		Lost revenue, cost to public purse
9. Misfortune is made known		Corporate scandals; representation in the media (Vodafone)
10. Hero decides upon counter-action		Regulation change (potentially with Government as hero and HRMC as 'helper') or move to a disclosure regime
11. Hero begins search.	}	Implementation of innovations/legislation to increase revenue (e.g. introduction of 'Spend to Save scheme'); more broadly, introduction of powers ('magical agent') to enhance tax collection and application of those powers (with Government as 'donor')
12. Hero is tested paving way for donor.		
13. Hero reacts to donor		
14. Hero acquires magical agent		
15. Hero transferred (this function is described in detail above).	}	Different interpretations of legislation lead to negotiated agreement
16. Hero and villain in combat		
17. Hero is branded		Portrayal of HMRC in media; public image of HMRC
18. Villain is defeated.	}	Revenue recovered
19. Initial misfortune or lack is resolved		
20. Hero returns.	}	Mutually constituted identities / history of enforcement agencies, and those they seek to regulate (departure from Propp in that there is no 'end' to this tale)
21. Hero is pursued.		
22. Hero is rescued from pursuit		
23. Hero unrecognized, arrives home or in another country		Portrayal of HMRC in media; public image of HMRC
24. False hero presents unfounded claims		Potentially, political spin placed on revenue regime by an administration (with the Government as false hero)
25. Difficult task proposed to hero.	}	Successful, iterative carrying out of mandate
26. Task resolved		
27. Hero is recognized.	}	Potentially, through exposure and corporate scandal, public reappraise HMRC; more aware of corporate avoidance
28. False hero or villain is exposed		
29. Hero is given new appearance		Change to structure / branding (shift from IR to HMRC)
30. Villain is punished		Prosecutions, punitive measures
31. Hero is rewarded		HMRC protects budget and resources

to: the cumulative effects of a series of judicial decisions starting in 1980 with *W.T. Ramsay v Inland Revenue Commissioners*; and the result of any number of financial innovations. Tax avoidance is not limited to arranging transactions in the most tax efficient structure (Shah, 1996); it can also be linked to the process of complying including the manipulation of transfer prices (Sikka & Willmott, 2010). The Institute of Fiscal Studies' (IFS) *Report on Tax Avoidance*, in an attempt to impose clarity, defined

tax avoidance in broad terms as, 'action taken to reduce or defer tax liabilities in a way Parliament plainly did not intend or could not have intended had the matter been put to it' (Institute for Fiscal Studies Tax Law Review Committee, 1997: paragraph 7).

Among interviewees there was clarity about the core interdictions: do not evade, or aggressively avoid, paying tax; but as our interviewees acknowledged, the definition of tax avoidance is not clear. Speaking in 2003, an IR em-

ployee acknowledged it was difficult to define, but suggested there was a definitive and shared, core sense to what unacceptable meant in the relevant legislation:

I mean I don't think we can define it absolutely, but most people know when they've been [unacceptably avoiding tax]. They go out of their way to do something for a tax reason. And some of these things involve you know twenty or thirty different steps. And you know that's tax avoidance (Tax official, IR12, 2003).

However, a Tax Director whom we later interviewed about this same legislative context suggested that the establishment of the HMRC had led to a situation that, 'simply bunched together avoidance and evasion'. They said it confused matters when the then Director General of HMRC, 'spoke at the London branch [of the Chartered Institute of Taxation] I think a year ago, when he started talking about morality and avoidance and all sorts of things.' (FTSE tax director, D2, 2006).

#### *Violation of interdiction – warnings/instructions are ignored*

Inevitably interdictions are violated (strangers are spoken to, siblings are left alone and lost, forbidden fruits are tasted). In this context, while core interdictions are clear, because (as the quote above shows) the definition of unacceptable avoidance is not, violation is more nebulous. What is considered by the government to be tax avoidance, and therefore subject to closer scrutiny, may be regarded as effective and legitimate tax planning by a taxpayer.

Tax law cannot foresee every eventuality and is designed for existing transactions and scenarios so – although it contains basic tax principles – it cannot predict the tax treatment of new types of transactions. Applying existing legislation becomes more difficult as the transaction concerned becomes more complex or unusual and a matter of interpretation. The taxpayer (MNC) is likely to interpret legislation in their favour, whereas the agency may interpret it in such a way as to increase the tax take.

Differences in interpretation, and hence the tax impact of the transaction, will be a matter of negotiation between the two parties. If they fail to reach agreement, ultimately the Courts act as arbiters of violation of interdiction and determine (in terms of Propp's framework) the prize. But, as we noted earlier, unlike the vast majority of individual taxpayers, MNCs are in a comparative position of power. This means their relationship with government agencies is closer to the hero–villain encounter in a folk tale, and more likely to result in protracted struggle. The following extract illustrates the complexities of violation in this setting – where there is greater parity in power between government agencies and MNCs than there would be with other taxpayers. A Tax Director was commenting on the context in which HMRC was formed:

they were on a lose-lose situation with some companies who realised that the Revenue would do a deal rather than proceed to litigation [as a result, MNCs] would have an opening position that was perhaps certainly more aggressive... certain transactions that were entered into, in the knowledge that (by the companies

that were entering into them) that they had a 50/50 chance and that perhaps they wouldn't get the full amount but they would probably end up being able to do a deal... that encouraged companies I think to do things that they might otherwise have not done had they felt that the thing was going to go court and it was an all or nothing (FTSE tax director, D4, 2007).

This is still the case judging from one of our more recent, sense-checking interviews, where a group Tax Director of a multinational commented (D5) in September 2010, 'Some multinationals might, for instance do 15 tax planning schemes, then budget for 5 to be stopped. HMRC is happy they have stopped 5 schemes but there is a positive outcome for shareholders as 10 schemes have been successful'.

Drawing on Propp's schema, and emplotment, we would anticipate revenue officials and MNC agents to act in ways that interpreted relations in terms of an overarching narrative of struggle or combat, within which were individual, smaller scale skirmishes. We did find evidence of this, for example from an MNC perspective, in the following interview with a FTSE Tax Director who described one instance of working with a particular tax official:

he didn't understand our business and because he had no relationship with us, we – you know he asked questions that maybe we thought were unnecessary. So in the end we spoke to the director of the LBO [Large Business Office] again, saying we're not very happy with this. This approach that he's taking with us. And he then sort of stepped in, in his ringmaster role to bring it all back on course so that this other chap wouldn't upset this taxpayer (Tax manager, C14, 2003).

This appeal to a higher authority, and the ringmaster metaphor shows how an overarching narrative transcends individual transactions. It is appropriate to see it as struggle since this very brief description of an extraordinarily complicated and intricate transaction, is replete with emotionally laden terms, 'didn't understand', 'no relationship', 'unnecessary', 'not very happy', 'upset'.

We found evidence of this perspective – of an overarching relationship of struggle – in relation to revenue officials too. For example one tax official (LB5, 2003) identified the value of a close, ongoing understanding of individual MNC representatives in terms of attributing responsibility, 'you do get close to the tax managers, and it's very difficult for them to be lying to you straight, you know face to face'.

*Prize: The task is resolved, the villain is punished and the hero rewarded*

Having looked at the very beginning of our tale, we now turn to the end. One problem in following Propp's analysis too closely is that folk tales always have an ending (and, typically, a happy one). However, in the governance of taxation, the narrative is perpetually unfolding because governments and legislation change, financial service firms innovate, and the identities and history of the two parties (HMRC and MNCs) are mutually constituted. Hypothetically, the ultimate happy ending from the perspective of

a political administration could be re-election. For ministries (such as HMRC) it could be to enjoy the confidence of their government, to retain their budgets and governance structure, win greater autonomy, and earn the confidence of the public. Tax revenues fund the public purse and pay for public services: hospitals, schools, law and order and so on (Montagu, 2002); in that sense, for officials, the prize can be ongoing benefit to other public services. For MNCs and their representatives, continually increasing the return to their shareholders, and also enjoying an unblemished corporate reputation could be the prize.

Given the lack of a definitive ending, and an environment characterised by change and complexity, the pursuit of these different prizes may lead to narrators of 'tax tales' reframing the character of other tax actors. In Propp's terms, changes in the legislative context prior to the creation of HMRC seemed to mean that the identity of the revenue (IR/HMRC) shifted from helper to villain. In 2005, MNC tax advisors felt that HMRC was changing in tone and stance in their relationships with MNCs. This was partly owing to changes in legislation but also the changes and uncertainty brought about by such fundamental reform.

I think it's making them gear up to have the resources to deal with more intrusive enquiries, making them deal with more confrontation. I think in certain circumstances, it's beginning to have an effect of being so irritating in certain areas, that actually it is making certain corporates consider whether this is the right place to do business (Tax advisor, P2, 2006).

During the period of our research, a number of schemes were introduced to counteract tax avoidance. Notably, and prior to the creation of the HMRC these included the 'Spend to Save' scheme introduced in the 2003 Budget (Inland Revenue, 2003). An extra £66 million was allocated to focus on tax avoidance which was anticipated to yield more than £1.6 billion of additional revenue. As a consequence of this scheme, relations between HMRC and MNCs became more confrontational. The threat of relocation (above) again underlines the comparative parity in power chances between some MNCs and government agencies.

#### *The narrative arc: interdiction, violation, prize*

We conclude our analysis with examples of the narrative arc (interdiction, violation, prize) in practice, showing how it underpins projects of sensemaking and the construction of professional selves. Drawing on the concept of emplotment (Czarniawska, 2010, 2012a, 2012b; White, 1973), we propose that the overarching structure in the folk tale that Propp identifies (interdiction > violation > prize) can be seen as a 'strong plot' (Czarniawska, 2004), that has particular resonance in taxation. Even in the midst of such complexity and ambiguity, there remain clear imperatives and goals, and even where technical and legal considerations are so prominent, actors understand their work in terms of an overarching narrative of hero-villain struggle. This first example illustrates the importance of a core, anchoring imperative – a prize – in making sense of oppositional struggle, interdiction and violation:

the pot does get stirred from time to time and, again, I accept that but there is a loss of, a loss of time and it takes you time to gain knowledge etc. and then you graft all the new um, working methods and information systems on top of that. The time spent doing the core job that I mentioned has, has dropped a lot, you know, and it's brought inevitable pressures because that's the job. I think that's, that's the job I see myself as being paid to do and I think, you know, most other tax specialists will say the same, you know, that we're here to bring the money in, in the end. We can do that by having a, a reasonably good working relationship with the group and, and that's something we always try and achieve because it makes life better for people on both sides but in the end, we are an arm of the government which aims to recover yield. That's how, that's how we justify our existence really (Tax official, TO, 2006).

Here there is evidence of contextual sources of change and reform, 'time to gain knowledge... new working methods and information systems... brought inevitable pressures'; as well as reference to how 'the pot does get stirred', which refers in part to the policy of rotating tax officials to improve audit and prevent overly familiar relationships from developing. Alongside these complexities are very definite and marked anchor points that support sense-making. As the narrator of their own 'tax tale', this official makes sense of their purpose and identity through the concept of prize, 'to recover yield', and this is tied to fundamentals in terms of their professional self, 'that's how we justify our existence really'. Underpinning this professional identity is a sense that interdiction and violation are inescapably part of the fabric of the work. This is what lies behind the expression of a basically combative relationship between HMRC and companies. Though carefully expressed it is clear in the above extract, in the nicely qualified aspiration – to have, 'a reasonably good working relationship', which is one that 'we always try and achieve' (emphases added); and the description of 'people on both sides'. More forcefully this sense of a combative relationship underpins their description of how, 'in the end', 'we are an arm of the government'.

A second, shorter, example also links the concepts of violation, interdiction and prize. Interestingly, it invokes, but at the same time undercuts, a stereotype about the professional character of the tax accountant (Friedman & Lyne, 2001):

I must admit I've had trainees and said (a) don't get personally involved, (b) treat it as a bit like an intellectual game, I don't know what it is, it's your intellectual argument against somebody else's, like a game of chess, you'll win erm you'll lose a few [laughs] and you'll probably draw an awful lot but in the end it is an intellectual exercise (Tax official, HMRC 3, 2005)

A number of things are interesting about this way of framing the relations between interdiction, violation and prize, 'like a game of chess'. There is again a clear sense of combat and opposition consistent with the themes of interdiction and violation (so it is in this sense similar to the extract above). Alongside this (again as in the extract

above), there is a desired, though not always realised, goal to 'win', consistent with prize. Also though, and intriguingly, the advice to consider chess stems from a very basic and unspoken recognition that the governance of taxation is not an intellectual exercise. Drawing on Jakobson's distinction (see Czarniawska, 1997b), the way that the example of chess is used here is not based on a logic of association (it is not syntagmatic, or metonymic). Instead it is based on a logic of substitution (it is paradigmatic, or metaphoric). The emphasis on cold reason, consistent with stereotypical portrayals of accounting as practice, is necessary precisely because this is *not* a game of chess. This is what informs the caution, 'don't get personally involved'. This advice is about creating a safe distance for those many occasions (which we have described as skirmishes within an overarching narrative) when the prize is not realised. As cautionary advice, there is almost a paradox here: this senior tax official's encouragement to new recruits to see this as a game or intellectual exercise is only needed precisely because for HMRC officials it is not a game or intellectual exercise. Whilst invoking chess is intended to offer some kind of protection, distance, and insulation, it actually reinforces that the strong plot of the folk tale (a combative struggle with moral dimensions and with themes of interdiction, violation and prize) is at work here.

Below we offer two more, related examples that illustrate how interdiction, violation and prize are relied on, again in a context that is complex and murky, to frame progression through a professional career in taxation. First is an example of an official describing the reasons why someone may not have been promoted to a higher grade:

the reason for the more lowly grade is that they haven't really had the ability to negotiate, its been black and white. I mean, obviously with any system of negotiation you're making work at the edges, but this, in fact has been quite a bit sort of issue, the negotiation and the fact that we have settlements about major issues (Tax official, HMRC 4, 2005).

This official was relating how entrants to HMRC begin their professional careers with clear categories for what is acceptable, a view of 'black and white' reflecting Propp's functions of interdiction and violation. Complexity is inherent in the work and the legislation, meaning more senior officials 'work at the edges' and so career development is partly based on being able to see beyond 'black and white', which is necessary to 'the ability to negotiate'. Interdiction and violation remain fundamental, but professional identity is predicated on success in attaining the prize, 'settlements'.

A parallel quote from an MNC perspective, again using a black and white trope, is given below:

there's a distance between where the inspector is and where the tax payer agent is... if you got really close to the black then you're doing really well. If you got there – a bit too close to the grey... I would do a deal. Because that's what they were after at the end of the day to get a deal done (Tax manager, P1, 2005).

Interdiction is to keep things lawful, or in 'the black', and violation is 'too close to the grey', with the prize being 'at the end of the day', 'a deal'. The same basic 'strong plot' (Czarniawska, 2004): interdiction > violation > prize helps both public and private sector accounting professionals make sense of their work as an ongoing accomplishment in this complex context.

## Implications

Our analysis demonstrates how complex events are emplotted: fitted or mapped onto kinds of story (Czarniawska, 2012a; White, 1973). Emplotment helps structure interpretation and – for the same reason – familiar plots like the rudimentary arc: interdiction > violation > prize; can mislead and obscure complexity. It follows that we can identify more widely the role familiar plots play in governance, and see where these plots are helpful or unhelpful (by helpful, we mean succinctly to refer to the public good). Where they are helpful our approach offers a guide to strengthen them. Where they are unhelpful we can devise new conceptual categories that re-package rather than pre-package. If we know the kind of story events are being fitted into, we can identify limitations in consequent prescriptions or interventions. A number of implications follow from this. We begin this section with an implication for theory and develop two policy implications from this. We conclude this section with considerations about implications for the profession.

Governance requires players understand the 'rules of the game' (Picciotto, 2007). The governance of taxation is an informative context in which to consider this, because the key issue of avoidance or evasion indicates that despite a black and white interdiction, in practice things are grey. As extracts from our 'tax tales' show, these rules are complex: negotiated, learned, enacted and renegotiated. But, there is a missing aspect to this which emplotment can illuminate. This is to identify the original source of rules: the common ground that is necessary before one can even begin to negotiate. Sometimes this is described in terms of a common macro-social contract (Donaldson & Dunfee, 1995); or shared hypernorms (Calton & Lad, 1995). Emplotment provides an alternative, additional way of understanding the wellspring of such common ground: it originates in kinds of story. This source for the 'rules of the game' can take us closer to devising prescriptions for policy since whilst we cannot change a macro-social contract, or hypernorms in society, we can change how we use stories.

A policy implication follows from this implication for theory. We can consider an instance where a story could be said to be failing us. In folk tales, 'baddies', transgress, are discovered, face judgement, and are punished. This simple logic features in media portrayals of public inquiries into complex financial questions. For example, commentators on the UK Treasury Select Committee's (TSC) hearings describe witnesses representing MNCs as 'villains', 'hauled' before the TSC where they 'come under fire' from 'salvos' as 'fingers are pointed' (e.g. Christodoulou, 2010; Davies, 2013; Kollewe, 2012). The theatre

attendant to such hearings may appeal because it fits expectations about what should happen to 'villains' in 'the end'. We have a governance mechanism (public inquiry) that satisfies the logic of a story-structure but it also may not be effective. Whilst they may be represented as such, MNCs are manifestly not 'villains' and taxation raises complex issues which are not publicly accessible. Such issues do not 'end': Chief Executives move, new instruments are devised, MNCs relocate, the law changes, the next financial year begins, witnesses 'stonewall' (Elliott & Treanor, 2012), and so on. One suggestion that follows from our focus on emplotment is to consider how to rewrite the role of the public in such a story. An implication from our analysis is that simple plot arcs underpin our understanding of taxation governance. Inquiries place the public as spectators to a story of trial and punishment. Less frequently perhaps, they invite a view of the public as a passive, remote or abstract mandate for the actions of politicians. Either picture is misguided since the public are consumers, shareholders, employees and customers engaged in long term relationships with MNCs. More effective sanctions for corporations could come about if the public were understood as active participants in an ongoing story of shared responsibility.

Relatedly, another implication is to consider instances where this familiar plot arc, and aspects of sense-giving associated with it, may help with more effective governance of taxation. An additional strategy by public bodies charged with increasing revenue could be to craft announcements, rulings, and procedures that utilise the logic of this story structure. This goes beyond the simple attribution of a label such as villain. For public bodies who perceive a company to be defaulting on their social responsibility by avoiding tax, it is not enough to paint the company as villain. Instead, as we emphasise here, such labels need to be understood as part of a mix of interlocking characters and actions that make a story. For instance MPs may be uniquely placed to give a CEO a 'grilling' or 'salvo', but the actions of the public are potentially far more influential on corporate strategy. The public are capable of buying products from other retailers, using other companies' services, investing in other companies, lobbying, complaining through social media, and so on. Finally, for policymakers and government agencies such as HMRC, our emphasis on the role of strong plots (Czarniawska & Rhodes, 2006), suggests alternative ways in which to scrutinise the accounts and representations of events of multinational companies, not simply through direct analysis, but by mobilising different constituencies and the wider public. We need not be wedded to a simplistic, essentialist or structuralist account here: plots can be made strong through conventions and routines (Czarniawska, 2004). In challenging the governance of multinational companies over their tax affairs, public bodies could also seek to expose simplistic assumptions in the accounts given by representatives of these companies and recover complexity where there is a rudimentary implied narrative with shareholder return as the ultimate prize. This may take on particular resonance in times of austerity since simplistic narratives of shareholder return may become less convincing where public services are

undergoing cuts and redundancies are threatened. Turning 'tax tales' into folk tales opens up new ways of thinking about countering aggressive avoidance.

Seeing 'tax tales' as folk tales also offers fresh scope to consider accounting as a professional project. It is well understood Friedman and Lyne's (2001) 'beancounter' stereotype is out of step with studies that understand accounting as a set of historically contingent social practices that do not just reflect economy but constitute it (Carnegie & Napier, 2010; Napier, 2006). Nonetheless it features over time in literature on accountants' image (Beard, 1994; Bougen, 1994; Cory, 1992; DeCoster & Rhode, 1971; Dimnik & Felton, 2006). The stereotype lags behind the transformation of accounting as a practice, and attempts by the profession itself to institutionalise alternative images of accountants as business professionals (Carnegie & Napier, 2010). Reduction to a stereotype is also overly simplistic, not just because these often involve mingling different, context sensitive images and associations, but because monolithic accounts of profession overlook broader historical factors (Chua & Poullaos, 1998). As practice, accounting can only offer a 'mirage' of objectivity.<sup>1</sup> As a specialism, given the complexity of taxation, the image we have of tax accounting is arguably an amplified version of such traits. What we show in relation to this here is rather intriguing though. Aspects of this stereotype do play a role within taxation, but it is precisely because accountants do not conform to the stereotype. The advice given to new entrants to tax at HMRC (above): "don't get personally involved" and treat it "like a game of chess" is only necessary because revenue officials do get personally involved, and because this work has combative and moral dimensions which they make sense of in terms of public goals. The role this stereotype plays here is as self-preservatory myth. Myths in a sociological or anthropological sense are not necessarily false (they often have no truth value), but they are logics that support action (Bradley, Erickson, Stephenson, & Williams, 2000). The 'mirage' can perhaps be a relieving distraction when remaining objective and impartial seems far away.

## Conclusion

Folk tales are part of sense-making and can be vehicles for inference that 'pre-package the world' (Abbott, 2008: 40). They are also sense-giving because they furnish us with frameworks that are both descriptive and constitutive. To study narrative through the lens of the folk tale, in combination with Propp's framework, makes some of the difficulties involved in making sense of this context very clear. Public narratives about the role of HMRC, or the mission of a MNC seem to fit this framework very well. Private narratives about individual identity and purpose – the 'tax tales' we concentrate on here – are more complicated yet they can still be described in terms of Propp's characters and the narrative arc: interdiction > violation > prize. Something that thematic or content analyses of our 'tax tales' would be less able to reflect is that the identity of characters changes. HMRC and MNCs have shifting identities as heroes, false heroes, helpers and villains that change

<sup>1</sup> We are grateful to Wai Fong Chua for this phrase.

through context and history, and also in terms of who is acting as narrator, or who the intended audience is.

The idea of a definitive ending may be illuminating if we consider the ultimate purposes of political administrations, ministries, and MNCs, but it is also simplistic. These actors have prizes that they strive for and that are often specifically time-bound: re-election, defence of their budget, protection of shareholder interest, financial targets. But it is also often unrealistic to think in terms of endings given that this context changes and evolves through unfolding relations between multiple actors (who themselves change and evolve). At the same time, specific cases of tax avoidance attract such media attention and public disapproval that the attraction of the concept of prize remains, and for analytical purposes this makes invoking the rudimentary narrative arc interdiction > violation > prize appealing too. In a number of ways, the limitations we encounter while thinking 'through' folk tales can assist our attempts to understand this more complicated setting. We also need to acknowledge, if only briefly, that this paper is itself a narrative, it is related, sequenced, context specific and reflects our point of view (Barthes, 1977); although ultimately it is not perhaps for us to identify what kind of narrative, 'science... epic... quixotic fantasy... conspiracy theory [or] divertissement' (Morrell, 2008: 628).

The transferability of Propp's research strategy and the obvious resonance his functions and characters have in this context raise intriguing questions. We argue that the scope to apply his work – a crystallisation of the folk tale – reflects deeper structures of sense-making that are common to different kinds of narrative, including accounts of governance and taxation. For us, in this context, we find enough evidence to suggest that part of what governs tales about tax – in the media, by public officials, and by senior accountants in both public and private sectors – is common to the logic of the folk tale. As adults, we may remain constrained, enchanted, and enlightened, by the recipes we learned for making sense of the world as young children.

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