



## Metaphors and accounting for stock options

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### Abstract

This essay explores the role that metaphor has played in the conceptualization of the controversial accounting for stock options issue. We explore the particular metaphors engaged within the stock options discourse over time through reference to dialogues appearing in the professional and popular business press and related hearings. Our analysis begins with the 1993 issuance of a FASB exposure draft (to require expense recognition) and ends with the reconsideration of the accounting for stock options issue by the FASB in 2003. We find that the dominant metaphors engaged change over time and differ markedly in their renderings of stock options and stock options accounting. Metaphors appearing earlier in the debate, engaged against the backdrop of a stalled economy and high hopes for an economic recovery driven by the tech industry, carry positive attitudes with respect to the use of options with corollary rational prescriptions for accounting policy. In contrast, later metaphors, engaged within a markedly different socio-economic frame, carry derogatory attitudes with respect to the use of stock options implying decidedly different rationalizations regarding accounting policy. We close by discussing the significance of metaphor in accounting policy debates.

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## 1. Prologue

“A main source of our failure to understand is that we do not command a clear view of the use of our words (Ludwig Wittgenstein, quoted in Clancy, 1989, p. 9).”

Metaphor is generally considered to be the most prevalent, well-known, and significant trope or figure of speech. Metaphors are omnipresent and suffuse not only poetic language (Lakoff and Turner, 1989) but ordinary language as well (Lakoff and Johnson, 1980); and much to John Locke's dismay,<sup>2</sup> metaphors are commonplace within scientific, philosophical, scholarly, or other 'realistic' discourses intended to instruct or inform (e.g., see Boyd, 1993; Brown, 1976; Derrida, 1982; Kuhn, 1993). However, metaphors do not merely afford us a way to talk about what we think; they are also *constitutive* of our experience (Gibbs, 1993, p. 253). Metaphors make possible the conceptualization of new ideas, enable comprehension of abstractions and complexities, provide inferential premises, imply solution rationales, and even sanction action; *and they carry great rhetorical force in doing so* (Lakoff, 1991, 1993; Lakoff and Johnson, 1980; Winter, 1995). Metaphors help to frame how we see the world and these frames impact “the plans we make, the way we act, and what counts as a good or bad outcome of our actions” (Lakoff, 2004, xv). Because of this, metaphors play a significant role within business discourses (Clancy, 1989) and are *particularly* at home within political discourses (Lakoff, 1991, 1996; Thompson, 1996). Political metaphors are often engaged to strategically represent a subject in order to support (or discredit) a particular position, agenda, policy, or plan of action. Indeed, it has been argued that political realities are constructed and contending agendas empowered largely through metaphor (Lakoff, 1991, 1996; Mio, 1996; Schon, 1993; Thompson, 1996; Tinker, 1986; Wilson, 1992). As such, understanding the metaphors engaged within a particular political debate goes a long way towards understanding its motivations, rationalizations, and resolutions.

This essay explores the role that metaphors have played in the discursive construction of the controversial accounting for stock options issue. Because stock options represent a significant redistribution of wealth mechanism, their accounting treatment has wide ranging socio-economic implications and as such, has been a hotly debated topic. Attention to the tapestry of competing metaphors engaged within this intensely confrontational discourse has the potential to reveal underlying values, motivations, and rationalizations influencing its resolution. This essay takes a close look at the metaphors appearing within the stock options debate, as presented in the professional and popular business press and related hearings, and explores their potential implications. We found that the dominant metaphors engaged within the stock options dialogue changed over time, altering their renderings of stock options; and perhaps more interestingly, we also found that these metaphors embodied

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<sup>2</sup> John Locke (1690/1975), the first of the classical British empiricists, expressed an unmistakable prejudice against the use of figuration (such as metaphor) within in scholarly, scientific, or philosophical expression in saying: “. . . all the artificial and figurative application of words eloquence hath invented, are for nothing else but to insinuate wrong ideas, move the passions, and thereby mislead the judgment; and so indeed are perfect cheats; and therefore, however laudable or allowable oratory may render them in harangues and popular addresses, they are certainly, in all discourses that pretend to inform or instruct, wholly to be avoided . . . (Locke, 1690, 1975, p. 504).”

different solution rationales and as such, differed markedly with respect to their accounting policy implications.

## 2. A few words on method

Our analysis begins in the early 1990s with the heightened discursive activity surrounding the FASB's 1993 issuance of an exposure draft on stock compensation, an exposure draft that proposed requiring expense recognition upon the issuance of stock options. The issuance of the proposal was followed by a period of intense public interest and controversy ultimately culminating with the retraction of the FASB's expense proposal. Subsequent to the retraction of the FASB proposal, a marked lull in public interest ensued for some time, with little or no public dialogue on stock options accounting appearing in the professional or popular press. However, public interest was soon refueled as these stock options issues once again resurfaced in the wake of the various accounting misstatement and corporate governance scandals during 2002 and 2003. This study looks at discursive activity surrounding the accounting for stock options issue beginning with the 1993 issuance of an FASB exposure draft and culminating with the reconsideration of the accounting for stock options issue by the FASB (2003).

In studying the discursive activity surrounding the stock options accounting debate, we concentrate on professional and popular business periodicals such as *Business Week*, *Forbes*, *Fortune*, *Strategic Finance*, *Financial Executive*, *CFO*, *the Wall Street Journal* and *the New York Times*.<sup>3</sup> To identify articles, we conducted a search of the ABI-Inform database using the key words "stock options" and "accounting". We also included as part of our analysis, the 1993 Senate hearing held specifically to criticize the FASB's exposure draft on stock option compensation.<sup>4</sup> Each author read the selected texts independently and identified particular metaphors. Points of overlap and difference were then discussed until reaching agreement on the classification and implications of the identified metaphors. In identifying metaphors for analysis, we considered a fairly wide range of linguistic expressions including metaphors manifesting as nouns, verbs, adjectives, adverbs, idiomatic phrases, and broader allusions. We found no shortage of metaphors conceptualizing stock options or their accounting, including, contrary to the typical characterization of accounting and business writing as 'dry' or lacking in 'literary quality', many novel or poetic metaphors.

The remainder of this essay is structured as follows. In the next section we explore further the nature of metaphor and its potential role in political discourses. The following section follows the accounting for stock options debate through its maneuverings and explores the metaphors that were engaged to conceptualize both stock options and the accounting for stock options. In the final section of the essay, we discuss the rationale and implications of these metaphors as well as the significance of their presence.

<sup>3</sup> We chose to focus our attention on the professional and popular business press first, as it is generally representative of prevailing business interests and values and second, because of its fundamental as well as nontrivial role in both perpetuating and depreciating extant business values, ideology, and ethos.

<sup>4</sup> In 2003 and 2004, hearings were held to discuss two House bills that proposed to legislatively mandate the accounting for stock options. Much of the focus of these hearings dealt with whether Congress should intervene in the standard-setting process. References to these hearings are included in the text as appropriate.

### 3. Metaphorical exposition<sup>5</sup>

#### 3.1. *The significance of metaphor*

“My point here is not that we ought to think metaphorically . . . but that *we do already* . . . (Schon, 1993, p. 139, emphasis added).”

In the broadest sense, metaphor may be conceptualized as a ‘borrowing’ between subjects or spheres of understanding; this borrowing is accompanied by a ‘transfer’ or ‘transference’ of meaning from one subject to another different one so that we might experience or think about one thing in the terms of another different thing (Black, 1962, 1993; Lakoff, 1993; Lakoff and Johnson, 1980; Richards, 1936). Metaphor, in its simplest and least abstract form, involves the juxtaposition of two subjects typically of the form ‘A as B’, as in the metaphor, accounting as language implied by the oft-quoted phrase ‘accounting is the language of business’. The resulting semantic transaction involves a transfer or generalization of terms, attributes, understanding, implications, or inferential premises from the subject ‘language’ to the subject ‘accounting’ so that ‘accounting’ is metaphorically constructed and thus, ‘thinkable’ in terms of what we know about ‘language’.<sup>6</sup> That is, metaphor is a trope of referring involving the re-presentation of one thing by reference to another different thing.

If we accept this sense of metaphor as ‘a borrowing or a transfer between subjects enabling us to experience one thing in terms of another’, metaphor would seem to encompass a fairly wide spectrum of linguistic forms and figuration. Metaphors may manifest as nouns, verbs, adjectives, adverbs, idiomatic phrases, and allegory<sup>7</sup> (Baldick, 2004); and in a broad sense, metaphor would seem to encompass other tropes of re-presentation or referring as well.<sup>8</sup>

<sup>5</sup> It should be noted that our view of metaphor is heavily influenced by the work of Black (1962), Lakoff and Johnson (1980), Lakoff (1991, 1993, 1996, 1999), and Schon (1993).

<sup>6</sup> It is important to acknowledge that the transaction between the two subjects is likely to be reciprocal, at least to some extent; that is, both subjects may, to a greater or lesser extent, play a part in transferring meaning to the other as either subject may serve as an interpretive base for the other (Black, 1962, 1993; Walters, 2004).

<sup>7</sup> An allegory (derived from the Greek word meaning ‘to speak otherwise’) is a story in which the message is represented symbolically. An allegory may be thought of as an elaborate, extended or sustained metaphor in which the primary subject is not expressed although it is implied (Holman and Harmon, 1992). Plato’s “The Myth of the Cave” appearing in *Republic* is a well know example of allegory, as is Bunyan’s “*Pilgrims Progress*.”

<sup>8</sup> Tropes of referring involve the re-presentation of one thing by reference to another different thing as in personification, simile, metonymy, and synecdoche. Personification involves referring to something nonhuman (such as an abstract idea, inanimate thing, or animal) as human allowing us to think about nonhuman entities in terms of human attributes, motivations, or activities (Baldick, 2004; Lakoff and Johnson, 1980). Simile involves an explicit comparison in which one thing is likened to another by use of words such as ‘as’ or ‘like’ allowing us to think in terms of the similarities (rather than differences) between the two things. Metonymy involves referring to one thing by the name of something else closely associated with it (and thereby re-presenting the subject in terms of the ‘something else’) such as referring to ‘the press’ to represent journalism and the journalistic community or the ‘White House’ to refer to the U.S. Presidency or U.S. Government (Baldick, 2004; Lakoff and Johnson, 1980). Reference to ‘the FASB’ to represent the accounting profession and/or standard setting would also be metonymic. Synecdoche, generally considered a special case of metonymy, involves representing something indirectly by referring to only a part or constituent of the thing (such as ‘wheels’ to indicate a car or ‘new blood’ to refer to new employees) or by naming a more comprehensive entity of which the thing is a part or constituent (such as ‘the law’ to indicate a police officer or ‘Enron’ to refer to the people responsible for the accounting scandal) (Baldick, 2004; Lakoff and Johnson, 1980).

Metaphors may function as isolated references within non-figural texts or as controlling images for entire texts (Holman and Harmon, 1992; Preminger and Brogan, 1993); moreover, some metaphors go well beyond the text and act as pervasive images for structuring entire systems of thought.<sup>9</sup>

Noted philosophers and scholars throughout history such as Quintilian, Ramus, Vico, and Nietzsche, have argued that our conceptualizations of experience are based on tropes such as metaphor (Gibbs, 1993). Similarly, Lakoff and Johnson (1980) argue that there is an extensive, albeit mostly unconscious, system of metaphors underlying our everyday conceptual system, a system of metaphors that we habitually use to define experience (also see Lakoff, 1980, 1993). These metaphorical conceptualizations provide structure for the comprehension of abstractions and complexities and provide patterns of inference for reasoning and action, contributing indispensably to the ‘think-ability’ and ultimate ‘action-ability’ of our experiences. Abstractions such as time, causation, emotion, and complexities such as social experience are routinely understood and reasoned about metaphorically (Lakoff, 1980, 1993; Lakoff and Johnson, 1980). For instance, time may be conceptualized as a resource and be *wasted*, *saved*, *used*, or *borrowed* (time as a resource); alternatively time may be conceptualized in terms of motion and thereby *pass*, *fly*, or *go*, as in the phrases *passing time*, *time flies*, or *where did the time go?* (time as motion) (Lakoff and Johnson, 1980). Human emotions and social relationships are particularly abstract and complex and as such, our conceptualization of them is also metaphorical; we may, for example, think of love as a journey with corresponding *travelers*, implications of *movement* and *impediments*, and expected *destinations* (Lakoff, 1993; Lakoff and Johnson, 1980).

### 3.2. *Metaphor as partisan*

“In truth, the ideas and images in men’s minds are the invisible powers that constantly govern them (John Locke, quoted in Clancy, 1989, p. 1).”

Metaphors embody emotions, ethos, morals, and ideologies and as such, represent *choices* among competing values (Lakoff and Johnson, 1980; Thompson, 1996; Tinker,

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It should be noted that one of the more tenacious problems associated with the study of rhetoric has been the inability to indisputably clarify the finer distinctions between individual types of tropes (Preminger and Brogan, 1993)—a point also raised by one reviewer. In this paper, we have adopted the convention (following Aristotle) of using the term “metaphor” as an umbrella term covering those forms of figuration that involve *re-presentation*; this convention, while not without its critics, is consistent with contemporary views of metaphor (see Black, 1962, 1993; Lakoff and Johnson, 1980; Lakoff, 1991, 1993, 1996, 1999; Preminger and Brogan, 1993; Schon, 1993). For example, simile is often considered to be a less direct and more timid form of metaphor (see Black, 1962, 1993); rather than directly asserting that A is B as in metaphor, simile merely asserts that the two things are similar by way of explicit comparison, A is *something like* B. As further example, in their well-known text, *Metaphors We Live By*, Lakoff and Johnson (1980) refer to simile, personification, synecdoche, and metonymy as special forms of ontological or structural metaphor.

<sup>9</sup> Such metaphors may be referred to as “base metaphors”, “concept metaphors”, “root metaphors”, “frames”, “paradigms”, “master metaphors”, or “world metaphors”. These pervasive metaphors (for lack of a more appropriate label) may form the basis for entire conceptual systems, scientific models or theories, scholarly disciplines, or sociopolitical worldviews (see Black, 1962; Brown, 1976; Kuhn, 1970, 1993; Lakoff, 1996; Pepper, 1942). For example, Lakoff (1996) argues quite convincingly that differing base metaphors account for the differing moral and political views of liberal and conservative political systems.

1986; Wilson, 1992). The representational experience created by metaphor is thus *inherently* value-laden and biased by its embodiments and as such, serves a particular interest or agenda in its view of the world. As such, metaphor construes reality from a particular point of view, allowing us to ‘see’ not the full potentiality of the primary subject, but only a partial, and perhaps fundamentally unjust, view biased by what ‘fits’ and is thus, privileged by the metaphor’s terms and values (Walters, 2004). In this sense, metaphor, in its re-presentation and rendering of experience, makes an emphatic and originary value statement regarding what is significant and what is not.

This partiality in metaphor is indispensable to political discourses in constructing rhetorical credibility for a particular interest or agenda. The rhetorical force of a political metaphor lies in its ability to engage aspects of the primary subject supporting a particular course of action or political agenda and to subdue or marginalize other aspects that might weaken or damage that position. The view that a particular metaphor imposes on a subject is thus perspectival, directing attention to some aspects of the primary subject while compromising the ability to see other aspects of the primary subject, in particular, those aspects of the subject that do not ‘fit’ the metaphor’s view. For example, Black’s (1962) war (or battle) as chess metaphor or Lakoff’s (1991) war as competitive game metaphor directs our attention toward the strategic aspects of war (such as team work, skill, participant capabilities, tactical moves and positions) as well as the grandness (and justness) of winning; in so doing, the metaphor suppresses the debatable morality of going to war as well as the many other disturbing emotional, economic and social aspects of warfare. In political discourses, the privileging of certain aspects of a subject (while marginalizing other aspects) is not random but purposefully and rhetorically strategic. Metaphors may be engaged to convey policies in a positive light, denigrate opposing policies or political adversaries, or convince a community of the logic, wisdom, or ‘truth’ of a particular course of action (or alternatively, the illogic, foolishness, or falsity of its antithesis) (see Lakoff, 1991; Mio, 1996).<sup>10</sup>

### 3.3. *Metaphor as prescriptive*

“In most cases, what is at issue is not the truth or falsity of a metaphor but the perceptions and inferences that follow from it and the actions that are sanctioned by it . . . we define our realities in terms of metaphors *and then proceed to act on the basis of those metaphors*. We draw inferences, set goals, make commitments, and execute plans, all on the basis of how we . . . structure our experience, consciously and unconsciously, by means of metaphor (Lakoff and Johnson, 1980, p. 158, emphasis added).”

The power to reason about and act on socio-political abstractions and complexities comes largely through metaphorical constructions (Lakoff and Johnson, 1980; Lakoff and Turner, 1989; Thompson, 1996). Participants construct and contemplate social, economic, and political realities in terms of metaphor in order to create rhetorical credibility for a particular interest, and *then* proceed to formulate problems, draw inferences, and stipulate action on the basis of those metaphorical constructions (Lakoff and Johnson, 1980). The terms of a particular metaphor provide a certain pattern of inference that implies a specific logic or rationale,

<sup>10</sup> Lakoff (1991) discusses such a role for metaphors in rationalizing and justifying the U.S. participation in the Gulf crisis.

suggests a specific resolution, and then as a matter of course, prescribes a particular course of action. In this manner, powerful metaphors can shape public consciousness, empower political postures, justify social practices, sanction the formation of policy, and even guide the writing of legislation (Lakoff, 1991, 1993, 1996; Mio, 1996; Thompson, 1996).

What is more, since different metaphors direct our attention to different aspects of the primary subject, different metaphors will necessarily result in different inference patterns and accordingly, different problem formations, different solution rationales, and different resolutions (Boland and Greenberg, 1988, 1992; Schon, 1993). For example, conceptualizing rational argument as war allows us to use the inference patterns with which we reason about war to reason about discursive activity. The logic of the war metaphor frames rational argument in terms of violent conflict based on mutually exclusive positions and transfers a rationale that suggests adversarial roles, strategic competition, and verbal violence, wherein the only resolution is to ‘kill’ (win) or ‘be killed’ (to lose) (Lakoff, 1993; Lakoff and Johnson, 1980). Alternative metaphors for conceptualizing the nature of discursive activity, such as rational argument as dialogue, rational argument as building, or rational argument as dance suggest alternative rationales and justify corollary discursive behavior based in ‘cooperative participation’, ‘constructive activity’ or ‘creative expression’, respectively (Lakoff and Johnson, 1980; Young, 2001). Each of these metaphors conveys an alternative view of argument and thus structures our understanding and experience of the subject quite differently.

Schon (1993) argues, quite convincingly, that different base metaphors used to frame the formation of social policies have in this manner, historically resulted in decidedly different policies. In particular, he looks at urban housing policy and discusses two metaphors, slums as blight and slums as natural communities, that have, at one time or another, dominated social thought and policy regarding the subject of low income housing areas. The two metaphors construct very different social realities and thereby, define very different problems, justify different rationales, and prescribe different actions. The slums as blight metaphor views the low-income area as ‘diseased’ or ‘unhealthy’ and suggests the need for ‘renewing’ to make it ‘healthy’ again; the policy and action prescribed by the metaphor is to redesign and rebuild. The slums as natural communities metaphor views the low-income area as a communal system, with beneficial social structures that create ‘comfort’ and ‘belonging’; the policy action prescribed by this metaphor is not to redesign and rebuild, destroying communal bonds and dislocating individuals, but rather to reinforce and rehabilitate. To really understand the rationales behind such policy resolutions we must look to the metaphors that were engaged to frame the problem (Schon, 1993). The next section looks closely at the metaphors appearing within the stock options debate and explores their potential implications for prescribing accounting policy.

#### **4. The great debate: stock options and accounting**

##### *4.1. Prelude to a debate*

Stock options began to gain popularity as an element of executive compensation during the 1950s. With the passage of favorable federal tax laws, approximately 400 companies adopted option plans between 1951 and 1956 (Poston, 1959) with executives being the



primary (and often only) recipients of options under these plans. Even then, now familiar arguments were used to describe the advantages of options over other forms of executive compensation. Options were advertised as a means to help attract and retain scarce management talent and to align the incentives of this talent with those of shareholders (Ford, 1961) as well as to conserve cash reserves. For companies with union work forces, this benefit carried particular political significance as options could be used to increase executive compensation without the ‘drawback’ of providing organized labor with ready-made political leverage for corollary increases in the wages of union workers (Poston, 1959). The accounting treatment of stock options provided an additional incentive for their use. Options issued under fixed plans resulted in no expense recognition as long as the exercise price of the option exceeded the market price of the underlying stock on the date of grant.<sup>11</sup>

During the late 1980s and early 1990s, the U.S. economy faltered. The stock market crashed in late 1987. The dollar fell relative to other currencies. Interest rates were rising even as savings and investment levels continued to fall. The federal budget deficit was climbing ever higher reaching \$400 billion by late 1992. The U.S. was involved in bailing out hundreds of failed savings and loans institutions at a cost of several billion dollars. Worries abounded that America was losing its dominant edge in R&D and technological development. Corporations restructured, downsized and “right” sized their organizations resulting in the loss of thousands of white collar jobs. The number of blue collar or manufacturing jobs was also shrinking as companies relocated factories overseas to take advantage of cheaper wages. The sorry state of the U.S. economy was highlighted in the 1992 Clinton/Gore campaign for president:

“The Republicans in Washington have compiled the worst economic record in fifty years: the slowest economic growth, slowest job growth, and slowest income growth since the Great Depression . . . In Europe and Japan our competitors’ economies grew three and four times faster than ours—because their leaders decided to invest in their people and Washington did not (Clinton and Gore, 1992, 5–6).”

Their campaign also highlighted another theme that had appeared in the press—excessive executive compensation. Despite the shaky economy, U.S. executive pay levels had escalated well in excess of their Japanese and European counterparts and were more than 100 times the levels paid to other workers.<sup>12</sup> During 1991, within the space of a few weeks, *Time* and *Business Week* each ran articles addressing the soaring paychecks of corporate executives. *Time* contrasted CEO pay practices, “CEOs: No Pain, Just Gain,” with the pay for performance measures used to compensate other workers and asked with rhetorical flourish, “If it [pay for performance] makes sense for the troops, why not at the top? (*Time*, 15 April 1991). *Business Week* explored “The Flap over Executive Pay” and asked whether there was any relationship between the “bulging paychecks” of executives and corporate performance (*Business Week*, 6 May 1991). Institutional investors, union leaders, academics, and

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<sup>11</sup> Expense was often recognized for options issued under variable plans in which the number of options to be granted or their exercise price was a function of performance or other requirements. Most options plans were fixed plans.

<sup>12</sup> This difference is now estimated to be approximately 400 times greater.



corporate employees also questioned the appropriateness of escalating executive pay packages in view of the flat profitability of most U.S. companies and an economic environment characterized by corporate layoffs and downsizing (Byrne, 1991; Crystal, 1991a, 1991b; Dobrzynski, 1992; McCarroll, 1991).

Stock options were implicated in this controversy about executive pay. They were described as propelling CEO pay “. . . into the stratosphere by oversized grants of stock options” (Byrne, 1991, p. 96) as companies stuffed “. . . pay packages with a less visible but highly lucrative form of compensation, stock options and other grants” (Tully, 1992, p. 94). In January 1992, Senator Carl Levin convened a sparsely attended Senate hearing<sup>13</sup> to examine the contribution of stock options (which he called “stealth compensation”) to escalating executive pay. The participants criticized stock option accounting and Levin urged the FASB to quickly complete its project on stock compensation.

This project had languished on the FASB’s agenda for several years. Urged by several large public accounting firms as well as the AICPA, the FASB added a project on accounting for stock compensation to its agenda in 1984. The project was intended to eliminate issuing accounting guidance as new compensation plans were developed as well as to end inconsistencies in the accounting treatment of fixed and variable plans (FASB, 1995). From the project’s inception, corporate executives openly opposed changes in accounting practices for stock compensation. They adamantly maintained that any changes would adversely alter the compensation practices of corporations by reducing the use of stock options and thereby destroy an important link between executives and shareholders (Business Bulletin, 1984; Byrne, 1984).

#### 4.2. *The debate cum metaphor*

##### Options as . . .

In June 1993, spurred by the SEC and the Levin hearing, the FASB issued an Exposure Draft, *Accounting for Stock-based Compensation* that proposed recognizing expense for virtually all awards of stock-based compensation. A firestorm of controversy erupted upon its issuance and another Senate hearing was convened by Sen. Christopher Dodd, chairman of the Subcommittee on Securities, in October 1993. In contrast to the Levin hearing, this hearing was well attended as several senators, a member of the House, and representatives of trade organizations for biotechnology, electronics, institutional investors, venture capitalists, NASDAQ, the National Association of Manufacturers and others appeared to testify. In the context of this hearing and within the press, a dominant metaphor, options as tools, recast options as important economic tools and characterized them as a possible “fix” for a ‘broken’ or ‘stalled’ American economy (economy as broken machine).

Tools imply useful devices, instruments, implements, apparatuses, or mechanisms carrying a specific helpful functionality (e.g., to build, repair, or otherwise facilitate mechanical functions). The first of the options as tools metaphors capitalized on this sense of functional utility. Options were described as a means to share organizational wealth (options as sharing

<sup>13</sup> Only three senators attended. The five witnesses included a member of the FASB, the SEC chief accountant, one CPA and two compensation consultants.

mechanism). As many companies were joining a trend towards distributing options to all their employees, options allowed “thousands of U.S. workers to share in their companies’ success” (Beese, 1994). It was through options that companies could “share the rewards of success with those who have risked much to make it happen” (A, U.S. Senate, 1993, p. 88).<sup>14</sup> Options were a means by which to share “the upside value of the company’s stock” (Ochsner, 1993). This sharing capacity allowed workers to share in the American dreams of home ownership and getting rich as options provided an opportunity for “home ownership in the high-priced Bay area housing market” (A, U.S. Senate, 1993, p. 87).<sup>15</sup> Although the FASB exposure draft had emerged amidst a set of concerns about the contribution of options to excessive *executive* compensation, the options as sharing mechanism metaphor deflated the interpretation of options as available only to the wealthy. This particular metaphor deflected attention from the executive pay issue and repressed a view of options as simply another perquisite for the affluent; rather it highlighted stock options’ functional capacity to redistribute wealth and allow ordinary employees to share in the economic success of corporations. This image was so powerful that one U.S. senator argued that “the overwhelming people who benefit from stock option plans are middle income Americans, not upper-income Americans” (B, U.S. Senate, 1993, p. 11).

Another variation on the tool metaphor, options as tools for alignment or transformation re-characterized stock options in terms of their functional utility in managing organizational employees. Since employees who held options gained a vested ownership interest, options were useful in making “employees part of the game by aligning their interests with the owners, giving them an incentive to perform” (Wolk and Rozycki, 1994).<sup>16</sup> Options “align the interests of shareholders and employees because the worker thinks, and works, different when he or she is also an owner” (A, U.S. Senate, 1993, 131 pp.). Options made “every Biomet employee a better worker” (A, U.S. Senate, p. 130). This metaphorical construction implied that employees could be re-aligned, constructed, molded, or re-formed much like other raw materials or machinery to fit the interests of shareholders via stock options, an effective transformative tool. In these ways, this new metaphor, options as tools for alignment or transformation, implied the necessity for options in promoting the interests of corporate owners and investors through conversion of employees into interested agents.

Another manifestation of the options as tool metaphor focused attention on the functional utility of stock options as a tool for attraction (options as magnets). The options as magnets metaphor emphasized the ability of options to attract new employees and management talent. Statements of this type were made frequently during the 1993 Congressional hearing as individual after individual claimed that stock options were critical to their company’s and/or industry’s ability to ‘attract’ needed employees. Options were said to “attract the right talent” (C, U.S. Senate, 1993, p. 61), to “attract people, young people with ideas, people getting out of school with a dream . . .” (B, U.S. Senate, 1993, p. 23), to “attract key people from larger companies where they are making more money . . .” (B, U.S. Senate, 1993, p. 11), to “attract the kind of exceptional talent that is essential to the success of an entrepreneurial

<sup>14</sup> In Appendix A, we indicate the positions of the various individuals quoted from the 1993 U.S. Senate hearings on the FASB proposal.

<sup>15</sup> Also see U.S. Senate (C, 1993, p. 76).

<sup>16</sup> Also see U.S. Senate (D, 1993, pp. 65) and U.S. Senate (A, 1993, p. 160).

enterprise” (C, U.S. Senate, 1993, p. 131).<sup>17</sup> Similar statements about options appeared in business press articles. Here, options were claimed to be useful in ‘attracting’ top-rate people (Forbes, 1994) and top-notch talent (Barton et al., 1994; also see Barr, 1994).<sup>18</sup> The implication is that those with talent were inevitably drawn to companies that chose to use options much as a magnet draws metal to itself. This metaphor was especially powerful when associated with those sectors that the American economy relied upon to emerge from its economic doldrums. Hearing participants and various readers were frequently reminded that options were employed extensively by start up companies (Barton et al., 1994; Forbes, 1994; U.S. Senate, 1993; Wandycz, 1993), biotechnology firms (U.S. Senate, 1993), cash-poor companies (Barr, 1994), entrepreneurial enterprises (U.S. Senate, 1993), and high-tech companies (Barton et al., 1994; Berton, 1994b). Options were important in helping entities to pull talented employees from comfortable and less risky employment in big industry, academia (U.S. Senate, 1993), and larger companies (Berton, 1994a; U.S. Senate, 1993).

In another variation on the tool metaphor, options as restraints, options were described as tools that ‘bound’, ‘restrained’ or ‘adhered’ employees to companies. In this construction, options were frequently said to be important in helping to ‘retain’ talented employees (Berton, 1994b; Henriques, 1997), a usage that suggests a sense of keeping employees ‘tied’ to a company through the potential gains from their options or alternatively, helping to achieve a ‘bond’ between employees and capital (options as bonds) (E, U.S. Senate, 1993, pp. 58, 102). Options were further said to establish a ‘link’ between management and shareholders (options as chains) (Cocroft, 1992).<sup>19</sup>

The options as tool metaphor manifested in various forms but each stressed the positive utilities or benefits of stock options. By helping to attract and retain employees, options were perceived as critical to the growth of specific companies. They paved the way for sharing wealth with employees and assisted in the transformation of employees into owners who would then strive to further the interests of all shareholders. Moreover, in these ways, options helped build companies and create new jobs. This emphasis was particularly resonant and persuasive in an economic environment in which economic distress had resulted in failed businesses and corporate downsizing had resulted in the elimination of thousands of jobs. Thinking of options as tools stressed the importance of options as one means by which to reverse this trend of lost businesses and jobs and a mechanism by which to create new ones. From the perspective of many, the U.S. economy needed to reverse its slow down and increase its growth. A likely source of this growth was believed to be the expanding and vibrant entrepreneurial sector of the U.S. economy, particularly high technology; that is, the

<sup>17</sup> During the hearing, participants also maintained that companies used options to attract creative people, talented professionals, senior level scientists, etc.

<sup>18</sup> Also see Wandycz (1993), Berton (1994a), Berton and Lublin (12/15/1994).

<sup>19</sup> It is worthy of note that there were a few other voices that employed other metaphors and did not emphasize the significance of options as functional tools. These few tended to employ options as secrets or options as handouts metaphors. In employing options as secrets, options were termed “stealth compensation” (U.S. Senate, 1993; Financial World, 1992). With options as handouts or unearned, they were described as a “symbol of the high life” (Financial World, 1992) that amounted to a veritable “money machine” (Financial World, 1992). They were ‘freebie’s (Barlas, 1992; also see Cowan, 1/22/1992), ‘handouts’ (Wandycz, 1993) for senior management (Fefer, 1993) that were misused (Cowan, 3/6/1994). While these alternative constructions did appear during the period that the FASB exposure draft was under debate, the options as tools metaphors clearly dominated.

tech sector was viewed as the means through which to ‘fix’ the U.S. economy (tech industry as mechanic). Because this sector relied heavily upon options as an element of employee compensation, options were viewed as an essential tool for regaining and enhancing national prosperity and ultimately repairing the U.S. economy. The dominance of the options as tools metaphor placed any proposal that might reduce or otherwise restrict their use in a negative light and placed it at a great disadvantage politically. Indeed, most of the metaphors used in connection with the FASB exposure draft, a proposal perceived in light of its ability to take away or restrict the use of a valuable and needed tool, carried quite negative connotations. Metaphors such as accounting as damper, accounting as liar, and accounting as bully or criminal dominated dialogues on the proposed accounting and constructed unfavorable impressions about the likely effects of the FASB proposal on individual companies and the economy in general.

#### Accounting as . . .

Dampers suggest barriers, obstacles, obstructions, snags, hitches, impediments, cold water, or discouragements. In a context where economic growth is desired, there is very little good to be said about dampers that may prevent or impede growth. Again and again, references were made to the dampening effects of the proposal. It would “inhibit organizations from the things we want them to do” (B, U.S. Senate, 1993, p. 1). The proposal would “discourage use of stock options” and “adversely affect the ability of . . . companies from [sic] prospering . . .” (F, U.S. Senate, 1993, p. 7). By discouraging the use of stock options, several undesirable consequences were argued as likely to follow. There would be a “chilling effect on our ability to raise capital” (C, U.S. Senate, 1993, p. 58) that would “impede companies” from going public (C, U.S. Senate, 1993, p. 61). The proposal would “limit the ability of our companies to grow” (A, U.S. Senate, 1993, p. 89). By increasing the “cost of stock options”, the proposal would “inevitably reduce the number of new companies the American venture capital community can create in the future” (C, U.S. Senate, 1993, p. 91) and would thereby have a “significant adverse impact on U.S. competitiveness and job growth” (D, U.S. Senate, 1993, p. 126) ‘stunting economic growth’ (Barr, 1994)<sup>20</sup> With these possible effects, the new rule was termed “a tragedy for capitalism” (Barr, 1994). Each of these statements draws upon the accounting as damper metaphor. By describing how the proposal might limit, impede, dampen, chill, or discourage companies as well as the economy, they made for rather powerful arguments opposing the proposal.

An additional metaphor that emerged, accounting as lie or fiction, suggested that the damage likely to be caused by the proposal was not limited to its purported dampening effects. In its conceptual framework, the FASB maintained that the purpose of accounting is to provide information useful in making investment and credit decisions. Furthermore, representational faithfulness was designated as an important characteristic of accounting information.<sup>21</sup> To possess this characteristic, the FASB maintained that accounting information should reflect or capture economic ‘reality’ (accounting as reality or truth). However,

<sup>20</sup> Also see U.S. Senate (G, 1993, p. 119).

<sup>21</sup> It is interesting to note that, in this apparently innocent choice of words, accounting is metaphorically conceptualized as ‘truth’ (accounting as truth); which incidentally, places a great (and arguably unrealizable) burden on the accounting profession.

opponents to the exposure draft argued that the proposal had failed to accomplish this requirement and as a result a metaphor conceptualizing the accounting proposal in terms of untruth, fakery, or fictions (accounting as lie or fiction) was employed to counter the FASB's claims that its proposal enhanced accounting truth. It was argued that the proposal "requires companies to put something in their financials that is not true" (H, U.S. Senate, 1993, p. 52) and created "significant distortions and inaccuracies" (H, U.S. Senate, 1993, pp. 52, 85). The distortions presumably arose from the proposal's requirement for companies to "conjure up an estimate of this expense" (A, U.S. Senate, 1993, p. 132) by using a "highly debatable estimate produced by highly complex option-pricing models" (Beese, 1994).<sup>22</sup> Opponents also maintained that deducting "options from earnings is phony" (F, U.S. Senate, 1993, p. 6) as the proposal required companies to "pretend that these capital transactions are cash transactions" (H, U.S. Senate, 1993, pp. 52, 85). The exposure draft would give rise to false items in the balance sheet by creating "phantom equity" (D, U.S. Senate, 1993, p. 124). The income statement would also be false as "stock options [were] not an expense" (Wolk and Rozycki, 1994) and any expense recognized would be a "fiction" (Khalaf, 1993; also see Barr, 1994) or "phantom expense" (A, U.S. Senate, 1993, p. 132). Each of these statements draws upon the accounting as lie or accounting as fiction metaphor to argue that the exposure draft would violate the accepted purpose of accounting in providing useful and economically representative information.

Some of the prevalent metaphors went so far as to villain-ize the FASB and render accounting in an adversarial role (accounting as antagonist or adversary). By 'threaten[ing] entrepreneurship and growth' (Sen. Bradley, U.S. Senate, 1993, p. 3), the proposal worried high-tech firms who could not 'afford' such an accounting change (Carlson, 1992) and would likely result in a "disastrous train wreck" (Beese, 1994) for the economy. The possible affects of the accounting proposal were further maligned through the use of a more violent variation on the antagonist metaphor, accounting as violence or assault. The proposal was described as an "asinine, destructive proposal" (Forbes, 1994) that would "throttle down the growth of some promising small businesses" (Khalaf, 1993) as well as "throttle the nation's high tech sector" (high tech executive in Cowan, 1993) The exposure draft would cause stock prices to fall (Koretz, 1996) and "scare off investors from young growth companies" (attributed to opponents in Norris, 1996). The proposal would force a company into making an undesired choice as they could either "abandon its broad based stock option plan or take a large hit on earnings" (B, U.S. Senate, 1993, p. 4).<sup>23</sup> The "devastating impact on earnings of high-tech companies that rely heavily on options" (outraged corporate executives in Henriques, 1997) would "hit business hard" (Barton et al., 1994) and "throw cold water on options programs at many companies" (Berton, 1996).<sup>24</sup> The recognition of expense would "be yet another blow to an industry [biotechnology] that is already reeling" (A, U.S. Senate, 1993, p. 89). While these hits or blows would fall particularly hard upon younger and smaller companies (Norris, 1994; Wandycz, 1993), its potential for injury was more far-reaching as it would

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<sup>22</sup> Others referred to the number as a "wild estimate" (high tech manager in Mello, 1995), "highly questionable figure" (Norris, 4/28/1996), and "misleading because it implies a degree of precision that is not there" (high tech executive in Mello, 1995).

<sup>23</sup> Also see U.S. Senate (I, 1993, p. 164).

<sup>24</sup> Also see U.S. Senate (B, 1993, p. 4).

also “damage California business” (B, U.S. Senate, 1993, p. 6) and “choke off American competitiveness” (opponents in Norris, 1994) by threatening “job creation and growth” more generally (B, U.S. Senate, 1993, p. 10). These metaphorical constructions personify the FASB proposal and attach to it images of physical violence such as attacking or assaulting (accounting as assailant or bully); and by the same token, these metaphors victimize the affected companies, especially start-ups and tech companies (tech companies as victim or casualty). The proposal would ‘force’ (by violent threat or means) companies to make difficult choices. Companies would be ‘hit’, ‘shocked’, ‘throttled’, ‘choked’ or ‘attacked’ by the proposal and the vulnerable young were particularly susceptible to its violence. While these terms were already quite derogatory in their imagery, the proposal was also described in even more illicit terms as a “potent and poisonous job killer” (accounting as murder) (C, U.S. Senate, 1993, pp. 90, 91). Its effect would be to ‘take options away’ from mid- and lower-level employees (compensation consultants in Berton and Lublin, 1993) (accounting as theft) as the proposal would make it “prohibitively expensive to spread options widely and deeply within a company” (Cocroft, 1992). With this ‘theft’, the wealth-sharing capacity of options would be lost (G, U.S. Senate, 1993, p. 64). In other words, the proposal was not only an ‘assault’ on the ‘innocent’; it was also ‘criminal’.

#### 4.3. *Reflections on the early metaphors*

Early in the debate, options were metaphorically constructed as a force for positive good (options as good). The dominant tool metaphor and its variations focused attention on the positive utility of stock options in terms of the functionality of simple, familiar, and mundane ‘tools’ (such as magnets), and emphasized their efficacy in enhancing wealth distribution and employee alignment with investor intentions by coupling these tool metaphors with positive modifiers. The tool metaphor directed attention towards positive utility, while at the same time deflecting attention away from issues of negative utility, questions about whether this ‘tool’ was functioning properly or alternatively, whether it was being or had the potential to be abused.

This begs the question: why did the tool metaphor, in particular, gain currency? Metaphors work when they satisfy a purpose (i.e., they allow us to conceptualize something) and are coherent with other salient, ossified metaphors that frame our general understanding of things (i.e., they ‘fit’ well with other accepted metaphors that ‘frame’ our worldview); if the view a particular metaphor provides is coherent with our present conceptualizations of things, then we take it to be true (Lakoff and Johnson, 1980). The stock options as useful tool metaphor starts out with particular intuitive appeal because it fits well with most people’s experiences (almost everyone has used some sort of tool to accomplish a task at one point of time or another leading to the generalization that tools are useful). Additionally, the tool metaphor gained currency within a discourse framed by pervasive metaphors of the economy as broken (based on a common unconscious conceptualization of the economy as a machine) and the tech industry as mechanic. The tool metaphor worked because it had coherence within the view of the economy as ‘broken down’ or ‘stalled’ and the view of the tech industry as the key to ‘fixing’ the broken machine; given the ‘tool’ metaphor’s obvious implications of functional utility for ‘fixing’ a ‘broken’ or ‘stalled’ machine, the use of options became taken for granted as appropriate, even *necessary*.



Thus the pervasive metaphor of the economy as broken coupled with the ‘tool’ metaphor’s implications of *positive* utility served well opponents of the FASB’s proposal to require expensing. The positive utility tool metaphor set up a rationale suggesting that if options were obviously ‘good,’ then any proposal that would discourage or otherwise limit their use was, by logical extension, ‘bad’ (accounting as bad). The FASB proposal (proposing the recognition of options costs as compensation expense) was thus metaphorically pitted against this positive image of stock options and rendered as antagonistic because it was believed that that forced expensing would limit or otherwise discourage the use of such a valuable tool. Indeed, the dominant metaphors engaged with respect to the FASB exposure draft villain-ized accounting (and specifically the FASB) and placed it in a very negative light—as ‘damper’, ‘liar’, ‘antagonist’, or ‘bully’. Although these metaphors are not entirely *consistent* with the useful tool metaphor, they are *coherent* in that they share the same logic (and implications) regarding accounting policy (see Lakoff and Johnson, 1980 for further discussion regarding metaphorical coherence).

There is the question of the non-dominant or dissenting metaphors (options as secrets or options as handouts) that appeared within the pre-scandal period discourse. Why didn’t these metaphors gain currency? That is, why were these metaphors comparatively weak? Economic conditions (leading to conceptualizations of the economy machine as broken), strong sentiments regarding the tech sector’s potential role in an economic recovery (leading to conceptualizations of the tech industry as mechanic), and the tool metaphor’s general coherence within these pervasive framing metaphors, gave the stock options as useful tool metaphor great intuitive appeal and afforded it rhetorical force. Metaphors that conflict with these pervasive frames are less likely to be accepted; the dissenting metaphors such as options as handouts or options as secrets were not generally coherent (and do not resonate well) with the pervasive views of the economy as ‘broken’ and the tech industry as ‘mechanic’; as such, these metaphors seemed somewhat counterintuitive and were robbed of their force.

#### 4.4. *Interlude*

After the FASB backed down from the proposal requiring expense recognition, interest in stock option accounting diminished. Few articles were published that considered the topic. However, companies continued to distribute stock options to their employees with top executives frequently receiving hundreds of thousands, even millions of options.

#### 4.5. *The debate cum metaphor renewed*

This lull in interest ended abruptly in 2002 as headline after headline announced the discovery of yet another corporate governance transgression, another accounting misstatement fraud, another corporate bankruptcy . . . another financial shenanigan. The stock market had fallen dramatically from its previously record highs causing the nest eggs of retirees and other investors to shrink shockingly. While most employees at companies like Enron, World-Com and Tyco suffered devastating losses, the executives of these firms were reported to have enriched themselves even as their companies headed into bankruptcy. Stock options suddenly became newsworthy again as some of this enrichment had occurred through the



exercise of stock options so generously granted during the 1990s. Many alleged that the corporate scandals were partially attributable to executive obsession with stock price movements as the higher the stock price, the greater the profit potential for option exercises. Executives strove to maintain steady earnings growth in order to be rewarded with “. . . a sweet premium from investors – a high stock price – which goes a long way toward keeping the executives’ stock options in the money (Brown, 2002).” It was argued that, because steady earnings growth was not always possible by increasing sales or decreasing costs, many executives turned to various creative, arguably questionable, schemes involving accounting and financial transactions.

The large quantities of options that had been granted were thus connected to improper accounting and corporate behavior and the accounting profession was made complicit in these machinations, with GAAP receiving much of the blame for corporate excesses. Many commentators contended that enormous option grants (and their negative incentive effects) would not have occurred if companies had been required to recognize expense when granting options (e.g., Fox, 1999, 2002a; *Getting the message, finally*, 2002; Hamburger and Whelan, 2002; Haun, 2002). Amid blatant skepticism regarding corporate credibility, expensing options began to be perceived by some as evidence of more reliable, more socially responsible, more ‘transparent’ accounting practices on the part of publicly held companies. As if to reinforce this perception, Standard & Poors created a new statistic, “core earnings”, which reduced reported net income by company estimates of the cost of stock option grants (Leonhardt, 2003). In an effort to convince a skeptical investing public that their books were ‘clean,’ and perhaps in anticipation of a change in accounting rules, several high profile companies voluntarily began to record expense upon the grant of stock options (or at least announced their intention to do so) (Beams, 2004; Delves, 2002; Levinsohn, 2002; Robinson, 2002; Useem, 2002). This apparent acceptance (or lack of resistance) to expensing (by those companies who voluntarily accepted this practice), suggests a marked change in corporate attitudes with respect to the stock options accounting issue when compared to earlier debates.

Shifting corporate attitudes regarding expensing, public expectations of greater corporate social responsibility, and intensified public concern over accounting methods provided the FASB with an opportunity to readdress stock options accounting within a much more favorable discursive climate. In March 2003, the FASB once more added a project on accounting for stock compensation to its agenda. As before, the stock options incited a great deal of intense discursive activity: “To say [stock options accounting] was the most controversial topic the Board [FASB] ever dealt with would be an understatement (Minter, 2002, p. 46).”

Congressional hearings were again held in 2003 and 2004. The 2003 hearing discussed a proposed law to require the SEC to improve stock option disclosures and to ban expense recognition until the SEC submitted a cost-effectiveness study of this accounting requirement. The 2004 hearing considered another Congressional proposal to limit expense recognition for only those options granted to the top five executives in a corporation. In these hearings, both proponents and opponents of expense recognition appeared before the committee members. Opponents (mainly high technology firms) frequently presented arguments similar to those used earlier in the debate referring to options as tools to attract and retain talented employees. However, as options were connected to various accounting scandals,

many who had previously opposed expense recognition (including the largest accounting firms, Alan Greenspan, etc.) were now said to support this accounting treatment. Proponents tended to employ metaphors that highlighted the negative aspects of stock options. These metaphors focused on the use of options as dubious (or out-and-out abusive) and the role of accounting for stock options as an options abuse-enabler. These new metaphors, in turn, suggested a different rationale for contemplating and resolving the issue.<sup>25</sup>

#### Options as . . .

References to the aforementioned options as tool metaphor were still prevalent in later dialogues and the ‘tool’ metaphor still carried with it implications of specific functionality, a simple means used to accomplish some specific objective. However, in contrast to the earlier references in which the tool metaphor carried complimentary modifiers as in ‘*good* tool’, or ‘*valuable* business instrument’, these later references carried decidedly derogatory modifiers. References to a ‘*misused* tool’ or ‘*abused* tool’ suggested that it was not the tool itself that was problematic but rather, the manner in which the tool was being wielded or used (options as abused or misused tool).<sup>26</sup> Other references such as “*bad*” instrument (e.g., Paul Volcker in *A CFO Interview, 2003*; also see his testimony in *U.S. House, 2003*, pp. 46, 51) were more pointed in suggesting that the tool or instrument itself was faulty, malfunctioning, or otherwise defective in accomplishing its intended objective (options as faulty or defective tool). An interesting variation on the tool metaphor, options as money machine also appeared a number of times with derogatory references such as “cash machines”, “broken ATMs making withdrawal after withdrawal without ever depositing cash (Lavelle, 2002, p. 76),” “out-of-control pay machines”, “megapay machines” or “wondrous pay machines” that “churn out mammoth dollar amounts” at a “furious clip” (Colvin, 2001, pp. 64–70). The derogatory modifiers created a metaphorical construction that suggested either the use of stock options (as tool or machine) must be corrected (or corporate management, its user, instructed or guided in its proper use) or stock compensation (as tool) itself must be reworked or repaired to correct for its dysfunction.

Options were also connected to various illicit activities to suggest their use was out of control and/or outside societal norms and expectations. For example, the options as substance abuse metaphor bringing to mind implications of drug addiction and abuse, appeared quite frequently in such phrases as “a heavy dose of options” or “overuse of options (compensation consultant in Dolmat-Connell, 2002, p. 4)”, “abuses of stock options (Hamburger and Whelan, 2002, p. A4)” and in similar references to ‘options habits of executives’, ‘corporate excesses’, the need to ‘cut back’ or ‘curb’ companies ‘abuse’ of or ‘cravings’ for stock options and to ‘symptoms of withdrawal’ (options as drugs). This abuse metaphor constructed stock options in terms of addictive qualities and an inability to stop ‘using’ (or ‘abusing’) them; one of the most vivid and witty references to the substance abuse metaphor made a cultural allusion to an old Lay’s Potato Chip commercial “you can’t take just one (Henry and Lavelle, 2003, p. 78)” (options as abused substance).

<sup>25</sup> In contrast to the 1993 hearing, these hearings tended to focus on whether Congress should intervene in the standard-setting process.

<sup>26</sup> See e.g., letter from 22 members of U.S. Senate and House to the FASB (U.S. House, 2004, p. 67).

One of the most prevalent metaphors appearing in the literature, options as crime, rendered options in terms of unlawful, illegitimate, dishonest, and untrustworthy behavior. The metaphor further connected options to the various misdeeds of corporate malefactors and implied various subordinate metaphors such as corporate management as villain/criminal and shareholders/investors as victim. These metaphors constructed the use of stock options (especially in excess) as an illicit act for which retribution will come or for which punishment or penance must be made for the harm done. The crime/villain/victim metaphors were illustrated by references such as “financial infractions (Delves, 2002, p. 37)” and “not so innocent [companies] (Macdonald, 2002, p. 45)”, as well as various references to ‘shareholders being ripped off’, ‘stealing from stockholders’, ‘corporate theft’, ‘the options conspiracy’, ‘lying about financial condition’, ‘rule-bending behavior’, ‘financial punishment’, ‘managers raiding the till’, and ‘the need for reform’. Allusion to the options as crime metaphor (and management as villain/criminal subordinate metaphor) is particularly dramatic in the following metaphors: “As companies fess up about earnings hits from options, lots more are still keeping mum. Small wonder (Macdonald, 2002, p. 45)”<sup>27</sup> and in the following article titles (as controlling metaphors for an entire text): “Trend or foe (Delves, 2002, p. 36)”<sup>28</sup> and “The great CEO pay heist (Colvin, 2001, p. 64)”<sup>29</sup> The implication of retribution for wrongs done is particularly dramatic in the following phrase “[corporate] fear of disgusted, distrustful investors and their various avengers (Useem, 2002, p. 62).”

Another related metaphor, stock options as gambling again rendered options in terms of illicit activities or undesirable behavior and further, suggested other metaphors such as corporate management as bet fixers/con men and shareholders/investors as victim. This metaphor is illustrated by references to stock options as ‘cons’, ‘scams’, ‘fixed bets’, “no-lose propositions”, “win-win situation for employer and employee (Delves, 2001, p. 28)”, “a deceptively simple and unbalanced game of chance” and “being invited to the poker table with the promise that you can only win (Delves, 2002, p. 37)”, or “undeserved windfalls (Stock options: The right way to go despite widespread CEO abuse, 2003, p. 65)”, as well as by references to “options winnings (Bernstein, 2002, p. 120)” or “dot-conned investors (Stock options: The right way to go despite widespread CEO abuse, 2003)” and statements such as “Option holders are shooting craps with someone else’s capital (Dolmat-Connell, 2002, p. 42).” An additional metaphorical construction related to options as crime, stock options as sin, suggested somewhat more vivid implications of wickedness, perversity, or immorality as in reference to stock options as “the root of all evil (Lavelle, 2002, p. 74)”, “perverse incentive (Delves, 2002, p. 37)”, and “stockholder murder (Mullaney, 2002, p. 48)”, and in the phrase “. . . heavy option grants means inviting the wrath of shareholders or - of Congress (Dolmat-Connell, 2002, p. 42).”<sup>30</sup>

In connecting options to illicit activities, these metaphors endorse a rationale that options should be treated as misdeeds and as such, their use (or misuse) prohibited. Moreover, the

<sup>27</sup> Notice that the presence of verbal irony here adds an additional sense of dramatics and derogatory implication.

<sup>28</sup> This metaphor of a text derives its force through allusion to a common cultural idiom, ‘friend or foe’.

<sup>29</sup> This metaphor of a text involves a cultural allusion to the classic crime drama or story genre.

<sup>30</sup> Indeed, an opponent to expense recognition, Rep. Eshoo indicated that stock options had been sullied through their use and misuse (U.S. House, 2003, p. 4).

perpetrators (management, companies) were not to be trusted and should be monitored closely and/or punished (perhaps by forcing them to expense) and the victims of their use either avenged or compensated for their losses in some form.

These intense derogatory sentiments towards stock options carried over into more novel, more imaginative metaphors for stock options such as the intriguing options as make believe metaphor. Here, options were cast in terms of something pretend, made-up, invented, or imaginary with implied themes of fantasy, faery-tales, and myth. In and of itself, the make believe or fantasy metaphor is not necessarily derogatory; however, references to this metaphor in the literature are, in each instance, coupled with a strong sense of verbal irony, bordering on sarcasm, suggesting derision or antagonism.<sup>31</sup> As such, the options as make believe metaphor coupled, as it was, with verbal irony is decidedly biting in highlighting the negative aspects of options. The sense of verbal irony, is particularly evident in the mocking tone taken by the following references: “[options are] free in Accounting Land [a land of make believe] . . . in the real world it takes just a little quick arithmetic to get at least an idea of what . . . options might actually be worth (Fox, 2001, p. 86)”, “. . . corporate lobbyists peddling the fiction that options are free (Fox, 2002b, p. 191)”, “Pretending they’re free didn’t work (Fox, 2002a, p. 110)” as well as various references to ‘pretending’, ‘make-believe pay’, ‘imaginary pay’, ‘fictitious numbers’ or the ‘myth’ that options are ‘free’ or ‘free money’. The options as magic metaphor, a variation on the options as make believe metaphor, accompanied again by a sense of mocking, is also prevalent in the literature. This metaphor constructs stock options in terms of the supernatural and/or the unexplained and is illustrated by references such as “belief in options’ magical power . . . (Fox, 1999, p. 32)”. A sense of insincerity or biting wit was apparent in references such as “[options as a] form of pay that *magically* does not appear on income statements (Mullaney, 2002, p. 48)”<sup>32</sup>, and “. . . [options described as] the power to sprinkle pixie dust on the markets . . . (Jenkins, 2002, p. A15)” and again suggests strongly negative sentiments towards stock options. Allusion to the options as magic metaphor carries particularly vivid imagery and decidedly antagonistic sentiments towards options in the following reference: “Expensing may be the silver bullet we’re looking for (Fox, 2002a, p. 110)” This reference seems to carry a cultural allusion to stories and myths of malevolent supernatural creatures (such as werewolves; options as malevolent supernatural creature) and the power of silver to destroy them (expensing as supernatural talisman).

A further variation on the options as make believe metaphor, options as illusion, constructed options in the even more derogatory terms of delusion, false impression, or deception, and is illustrated by the following reference to ‘the illusion of vast riches provided by a seemingly magical stock market (Delves, 2002, p. 40)’, and various references to options (and options costs) being ‘illusory’, ‘figments’, ‘hallucinations’, or ‘invisible’. These metaphors suggesting make believe, fantasy, or illusion accompanied as they were by verbal irony, construct options with an immoral dimension as dishonest, unreal or untrue

<sup>31</sup> This may not be as readily apparent in the illustrations provided here as, for academic convenience and in the interest of space limitations, these metaphorical references have been orphaned from the contexts in which they were constructed; verbal irony depends heavily on its context to create its effect.

<sup>32</sup> Note the suggestion of verbal irony here creating derogatory significance.

and, against the backdrop of corporate scandal and a renewed proclivity for veracity, endorse a rationale that shuns the use of options as a means of employee compensation.<sup>33</sup>

While the earlier metaphors examined focused primarily on a ‘tool’ metaphor (and its variations) to construct positive implications for stock options, the later metaphors considered in this section tended to converge on derogatory sentiments, attitudes, and/or implications with respect to the use of stock options as a means of executive compensation. These later references to stock options are predominated by copious metaphorical constructions emphasizing derogatory aspects and consequences of options thereby constructing options as bad, the rational policy implications of which are to prohibit, restrict or discourage their use. The various metaphorical constructions of options as bad endorse a rationale whereby any accounting practice or policy that encourage or enable unrestricted use (or abuse) of options would logically be viewed with disfavor (bad accounting) and any practice or policy that is read as discouraging, curbing, or restricting in some manner the use (or abuse) of stock options would logically be viewed with favor (good accounting).

Accounting as . . .

Given the role of ‘creative’ accounting misstatements in the aforementioned corporate governance scandals, accounting was read as complicit in its potential to enable or encourage the excessive use of stock options. This view of options accounting would seem to be based in the interpretation of SFAS No. 123 as a compromise statement made in the face of intense political opposition to expensing that enabled/allowed what were, in light of recent scandals, read as stock option abuses in compensating executives. SFAS No. 123 *recommended*, but did not require, the recognition of options expense as a charge against income; however, most companies chose the statement’s alternative of disclosing options costs in the footnotes to the financial statements rather than reporting options costs as compensation expense. Metaphorical constructions of options accounting in the later debates focus on this ‘to expense, or not to expense’ issue and seem to construct options accounting largely in terms of potential for ‘visibility’ (accounting as seeing).

The metaphorical construction accounting as seeing seems to be a dominant metaphor for accounting in general and provides a conceptual basis for many of the metaphorical constructions of options accounting within the recent professional literature on the subject.<sup>34</sup> Current options accounting, which allows options costs to go ‘unrecognized’ as an expense

<sup>33</sup> While most of the illusion metaphors did seem to carry derogatory implications, there were a few minority voices that engaged an options as make believe or magic metaphor as a means of suggesting utility and positive implications as in “. . . employee options helped spark Silicon valley’s miracle and were a way for the rest of corporate America to share in the that tech magic . . . Expensing them would kill the magic (Fox, 2002a)” and “[the proposal to charge stock options against earnings would result in] ‘killing the goose that laid the ‘New Economy’s’ golden egg “[A cultural allusion to fairy tale] (Hinchman, 2001, p. 68).” These references suggest a rationale that embraces rather than eschews the use of options as a means of employee compensation. However, derogatory references were dominant.

<sup>34</sup> That is, metaphorical constructions of options accounting appearing in the recent professional literature seem to be subordinate to the accounting as seeing metaphor. This metaphor was frequently employed during the 2003 and 2004 U.S. House hearings. Proponents of the expensing proposal argued that expensing stock options enhanced ‘transparency’ and reduced ‘distortions’ in financial statements (see e.g., U.S. House, 2004, pp. 8, 34, 36, 37, 42, 65, 70; U.S. House, 2003, pp. 22, 26, 34). Opponents of the expensing proposal argued that the FASB proposal would distort financial statements (see e.g., U.S. House, 2004, p. 61; U.S. House, 2003, p. 16). In contrast to the

and then be ‘hidden’ in the footnotes, is constructed relative to this “visibility” metaphor in the derogatory terms of ‘concealment’. The options accounting as concealment metaphor brings to mind negative implications of obscured, hidden, disguised, secreted, or suppressed information as in references to ‘lack of transparency’, ‘lack of clarity’ ‘distorted earnings’, ‘hidden costs’, ‘invisible effects’, ‘disguised financial condition’, ‘small print’, ‘buried in the footnotes’ and ‘lack of clear accounting’. The concealment metaphor is rife in the professional literature as illustrated by the following references: “[the need for] transparency in corporate financial reporting (Grant and Ciccotello, 2002, p. 37)”, “accounting rules don’t reflect economic reality . . . (Fox, 1999)”, “options real cost [is] hidden (Fox, 1999, p. 32)”, “information about options [is] buried in proxy statements and footnotes of annual reports (Fox, 2001, p. 86)”, “impact of options is almost entirely invisible (Fox, 2001, p. 87)”, “the numbers are out there, albeit squirreled away in footnotes (Fox, 2001, p. 87)”, “bits of fine print [referring to footnotes] (Fox, 2002b 191)”, and “the cost of options isn’t reflected in company earnings reports, thus deceiving investors (Hamburger and Whelan, 2002, p. A4).”

A variation on the concealment metaphor, options accounting as trickery/illusion,<sup>35</sup> carries rather stronger derogatory implications representing options accounting in terms of intentional deception, deceit, or fraud and is somewhat more novel and vivid in its various constructions. The options accounting as trickery/illusion metaphor is illustrated in referring to “Stock options accounting subterfuge (Grant and Ciccotello, 2002, p. 37)”, “the amazing stock option sleight of hand (Fox, 2001, p. 86)”, “profit enhancing tricks (Fox, 2002a, p. 110)”, “fooling investors (Levinsohn, 2002, p. 64)”, “illicit book cooking” and “entirely legal book cooking (Fox, 2002a, p. 110)”,<sup>36</sup> “[being] fooled by accounting fictions (Fox, 2002a, p. 112)”, a “crooked yardstick” (FASB chairman in U.S. House, 2003, p. 22) and “trying to spin the accounting in different ways (Jenkins, 2002, p. A15).” Statements such as “[investors can] no longer trust any financial numbers in the face of widespread fakery and fraud (Getting the message, finally, 2002)” and “when a company hands out tens of millions of options every year and contends through its earnings statement that the things cost nothing, it is telling . . . a big stinking lie (Fox, 2001, p. 88)” also illustrate the trickery metaphor.

The concealment and related trickery and illusion metaphors construct the failure to recognize expense as an absence of visibility, or alternatively, as an intentional dodge used to deflect attention from ‘economic reality’, which, in either case, enables, perhaps even encourages, options abuses by allowing their consequences to go ‘unseen’. As such, the concealment metaphor endorses a rationale that options accounting (not expensing) ‘needs corrective lenses’ (accounting as poor/distorted vision), to provide for improved ‘visibility’; and the ‘prescription’ for greater visibility is expensing. Indeed, accounting policy that would require options costs to be deducted as compensation expense from companies’

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1993 hearings, a high tech representative’s testimony was referred to as patronizing and overstating the possible harms of expense recognition to corporate stock prices (p. 65). At other times, the arguments used to great effect during the 1993 hearings were now referred to as ‘red herrings’ (U.S. House, 2004, p. 71) or were called into question by reference to other evidence (U.S. House, 2003, p. 27).

<sup>35</sup> The options accounting as trickery metaphor is strongly related to the options as illusion or make-believe metaphors.

<sup>36</sup> This reference derives its affect through allusion to an accounting idiom ‘cooking the books’ which refers to the questionable practice of tweaking accounting records to make them look better than they might otherwise look.



earnings, is metaphorically constructed in terms of ‘seeing’ by references to improved ‘visibility’, ‘transparency’ or ‘clarity’ (accounting as seeing, expensing as visibility). Expensing options would “boost transparency” and “provide clear information . . . so stockholders could see (Becker, 2002, p. 26), “expensing stock options will help provide clarity, transparency, and accuracy (Getting the message, finally, 2002, p. 116).” The accounting as seeing and expensing as visibility metaphors are particularly vivid in the following reference to the push to change accounting policy regarding treatment of stock options: “The blindfold is off, the magnifying glass is out, and the numbers have nowhere to hide (Delves, 2002, p. 41).” Closely related to the expensing as visibility metaphor, expensing as cleansing, carries the implications that current options accounting is dirty and that expensing would be a way of removing the grime so that we can ‘see’. References to ‘corporate cleansing’ (Getting the message, finally, 2002, p. 116), ‘companies coming clean on options and reporting them as expenses (Mullaney, 2002, p. 48)’, and ‘companies attempting to clean up their image by treating employee stock options as an expense’ (Opdyke and Higgins, 2002, p. D1) provide illustrative examples of the ‘cleansing’ metaphor.

While the concealment and visibility metaphors were the predominating constructions in the literature, there were other metaphorical constructions characterizing options accounting practices. Accounting as accomplice was implicit in many, if not most, references to the aforementioned stock options as crime metaphor and indeed was explicitly stated in other cases such as in referring to accounting rules as “options abuse enablers” (Fox, 2001, p. 87). This metaphor suggests that accounting is an ‘accomplice’ to the ‘crime’ of stock options abuse by allowing their consequences to go unrecognized. Note however, that accounting’s complicity in the ‘options crime’ is still rationalized by virtue of the ‘seeing’ and ‘concealment’ metaphors as accounting rules allowed ‘concealment of the crime’; that is, “companies are clever about hiding the true cost of employee stock options . . . [and] nutty accounting rules help them do it (Fox, 2001, p. 87).” There were also a number of references suggesting expensing options as punishment (also related to the aforementioned options as crime and accounting as accomplice metaphors) constructing expensing in terms of ‘penance’ or ‘reform’ as illustrated by references to “financial punishment (Becker, 2002, p. 26)”, “[companies] lining up to take the pledge (Getting the message, finally, 2002, p. 116)”, “new torture” (Jenkins, 2002, p. A15).

The accounting as seeing metaphor and its various permutations, construct options accounting in terms of ‘visibility’. Since, within our experience with vision, ‘seeing’ is good and ‘not seeing’ is bad, the accounting as seeing metaphor implies that the accounting rule that allows companies to ‘hide’ options costs in the footnotes (SFAS No. 123) (options accounting as concealment) is ‘bad accounting’. Moreover, an accounting rule requiring companies to expense options costs would make them more ‘visible’ (expensing options as visibility) and is thus ‘good accounting’. It is assumed that, since options are bad (as viewed in various metaphorical constructions), companies would rather that they remained ‘hidden’ or ‘ferreted away’ from investors eyes; increased ‘visibility’ afforded via expensing would therefore curb excessive use of options or otherwise force changes in the manner in which stock compensation is utilized.<sup>37</sup> Although opposition to expensing remained and

<sup>37</sup> Note however, that there is a minority voice within the literature that contends that expensing is not the ‘fix’ that it is presumed to be (e.g., Deshmukh et al., 2002). For example, expensing was constructed in terms of expensing



lobbyists continued to hound Congress in an effort to stop FASB from changing the rules for stock option accounting (Beams, 2004), this focus upon the negative aspects of stock options and on the importance of helping accounting to “see” contributed to the formation of an environment in which the Board was able to issue a revised statement on stock compensation (and other issues) in 2004 that requires expense recognition for most stock option plans.

#### 4.6. *Reflections on the Later Metaphors*

In contrast to earlier dialogues, the metaphors appearing within later dialogues placed stock options in a decidedly derogatory light. Options were still constructed as tools but with accompanying negative modifiers focusing attention on such tools’ propensity for defect, dysfunction, malfunction, or abuse. Options were also metaphorically constructed as illicit activities (substance abuse, crime, or sin) or instances of make-believe engaged illicitly (fantasy, magic, trickery, or illusion). Such metaphors focused attention on the derogatory aspects of options, while deflecting attention away from the positive utility of options. References to options in terms of misused tools, abused substances, corporate theft, or invisible elements of compensation invites a rationale that suggests that options should be handled as controlled substances or misdeeds with their use closely monitored, restricted, or perhaps even prohibited entirely; and with ‘violations’ resulting in reprimand or perhaps even punishment. In any case, we obviously need to be able to ‘see’ options and their damaging consequences to control, monitor, restrict or effectively proscribe their use.

The accounting as seeing metaphor appears quite frequently in the later dialogues and constructs options accounting in terms of the potential for ‘visibility’ or alternatively, ‘poor visibility’. If one can ‘see’ economic reality with accounting, then accounting is a potential means to make options and their consequences ‘visible’ thus discouraging their (ab)use. The FASB proposal to require expensing, which requires ‘recognition’ of options costs as compensation expense, ‘focuses’ attention on such costs, and as a result, provides greater ‘visibility’ or better ‘transparency’, giving investors a ‘clearer or truer financial picture’; expensing is rendered, by way of the ‘seeing’ metaphor, in a positive light. Moreover, any accounting that fails to enhance ‘visibility’ of an illicit activity is cast in a negative light as ‘poor visibility’, ‘concealment’, or ‘trickery’; options accounting (not expensing), which allowed companies to render options costs ‘invisible’ or otherwise ‘trick’, ‘fool’, or ‘lie to’ investors by allowing options costs to be ‘concealed’, ‘hidden’ or ‘ferreted away’ in footnotes, is therefore cast in a derogatory light as a *failed* means of ‘visibility’.

There is the question of why the earlier positive metaphors for options and the negative metaphors for the FASB’s expensing proposal lost their currency. Why did the later, more derogatory options metaphors, become dominant? Again, metaphors work when they are coherent with other accepted metaphors or understandings that ‘frame’ our worldview; metaphors that are coherent with accepted understandings are more likely to be favored and

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as fad suggesting implications of a whimsical or idiosyncratic, but largely insubstantial nature, as illustrated by numerous references to ‘jumping aboard the expensing bandwagon’ and the ‘current expensing fad.’

thus, gain currency. Later discussions of stock options accounting occurred within a set of socio-economic circumstances marked by scandal, misdeed, apprehension, and distrust. In light of the dramatic downturn of the high-tech sector and high profile abuse of stock options by many corporations, many of the arguments (and metaphors) that had earlier justified the use of stock options lost their credibility. Additionally, misstatement scandals (and their devastating effects) contributed to a change in public sentiments, attitudes, and values and intensified public concern over accounting methods and practices. The market had been wronged (economy/investors as victim) and as such, had become jaded and suspicious; substance abuse, crime, and trickery metaphors carried a certain intuitive appeal and were simply more believable (and even expected or presumed) in this context. The accounting as concealment and accounting as trickery metaphors (coupled with the accounting as seeing metaphor)<sup>38</sup> are also coherent with this worldview. Positive metaphors for stock options (e.g., options as useful tools) which were not coherent with this more jaded worldview were robbed of their prior strength. In such a context, a proposal requiring corporate activities to be made more ‘visible’ (expensing as visibility) appears obvious (even necessary).

## 5. Epilogue

“If we are unaware of metaphors we risk being imprisoned by them (Wilson, 1992, p. 884).”

Political realities are not given as such, but are discursively conceptualized and constructed by participants attempting to make sense of and gain mastery over the issues. Political discourse is bewilderingly complex—intensely dynamic and full of vested interest and opportunities for violent contention. Moreover, the concepts that motivate politics – interests, values, ideology, and power – are abstract and more often than not, ambiguous; implications and consequences are neither immediately tangible nor self-evident (Thompson, 1996). Metaphors are indispensable to political expression as a means of handling such abstraction and complexity (*and* as a means of empowering certain agendas). Policy issues such as accounting for stock options are constructed and contending views rationalized through discursive practices governed largely via metaphor; and there are often significant differences in the policy implications and consequences of different metaphors (e.g., Lakoff, 1996; Schon, 1993).

This paper looked at the controversial accounting for stock options debate from the perspective of the metaphors used to frame the debate. Not only did we find numerous metaphors throughout the debate (as it appeared in the business press and various hearings), we also found that the dominant metaphors engaged over time differed with respect to their attitudes towards stock options. The metaphors appearing earlier in the debate and the metaphors appearing later in the debate convey antithetical views of stock options and thus structure our perceptions of the subject quite differently. Perhaps more interestingly, these

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<sup>38</sup> The accounting as seeing metaphor is particularly intuitive in any case as it is so firmly grounded in everyday human experience (see Lakoff and Johnson, 1980 and Lakoff, 1993).

metaphors embody different solution rationales and as such, differ decidedly with respect to their accounting policy implications.

This sort of analysis seems to beg the question: were the metaphors *imposed* by interested parties to support a particular accounting policy agenda or were the metaphors simply a *product* of prevailing social forces? That is, which came first, the chicken or the egg? Lakoff (1991) would seem to suggest the former—that metaphors are imposed by those in power, chosen for the partisan manner in which they render a subject. In Lakoff's article "Metaphor and War", he argues quite convincingly that particular metaphors were selected and empowered by powerful individuals (such as the President of the United States) in order to legitimize the U.S. participation in the Gulf War. There were certainly, throughout the stock options debate, individuals and special interest groups in a position to impose and empower metaphors embodying particular value judgments (e.g., corporate executives and U.S. senators); and as mentioned above, the metaphors studied *did* differ in their implications for accounting policy. On the other hand, Lakoff (1996, 1999) and Schon (1993) would seem to support the latter thesis—that the metaphors framing the issues were a product of prevailing values, ideologies, and ethos as they changed throughout the debate. Schon (1993) argues that different time periods marked by dissimilar socio-political climates resulted in dramatically different urban policy metaphors with decidedly different policy resolutions. Similarly, Lakoff (1996, 1999) argued, convincingly enough, that two different political communities sharing distinctly different social values (liberals and conservatives) result in divergent interpretations of the *same* metaphors which in turn, produce divergent political agendas. It would appear that while some metaphors develop and gain currency over time, others are deliberately imposed by those in power, and still others are abruptly invoked by changes in prevailing values (Lakoff and Johnson, 1980; Thompson, 1996; Tinker, 1986). While this sort of analysis is beyond the intended scope of *this* paper, it is perhaps a fruitful inquiry for future research.

Regardless, metaphor is a powerful force for governing thinking and suggesting action with respect to policy problems (Schon, 1993). Because of this, metaphors may serve as a logic for discovery; their analysis makes for a powerful tool for deconstructing policy decisions. Analyzing these metaphors reveals their underlying values and potential implications and allows us to critically evaluate what is strategically revealed as well as what is strategically suppressed; and perhaps more importantly, allows us to gain significant insights into the solution rationale and policy being prescribed by those metaphors. Moreover, failure to consciously recognize and critically scrutinize the dominant metaphors engaged within policy debates relinquishes control over the discursive construction and resolution of important issues to the metaphors and those that make them (see Boland and Greenberg, 1992; Dillard and Nehmer, 1990; Lakoff, 1991; Tinker, 1986). As such, we must remain aware of such metaphors, the role these metaphors play in governing policy thinking and their potential consequences for political participants.

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## Appendix A

Detail regarding positions of persons appearing in 1993 Senate hearing

- A. Biotechnology or pharmaceutical executive or company testimony
- B. U.S. Senator
- C. High tech firm executive
- D. Corporate representative for the Financial Executives Institute
- E. Venture capital partner
- F. U.S. Representative
- G. Software executive and NASDAQ representative
- H. Council of Institutional Investors representative
- I. Software executive

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