

Goretzki | Theorising Management Accountants' Roles and Practices

Lukas Goretzki

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A Case Study in a German Manufacturing Firm

Für meine Familie

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Theorising Management Accountants' Roles and Practices –

A Case Study in a German Manufacturing Firm

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Theorising Management Accountants' Roles and Practices – A Case Study in a German
Manufacturing Firm

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Vorwort

Die vorliegende Arbeit ist das Ergebnis eines Dissertationsprojektes, welches im Dezember 2011 an der WHU – Otto Beisheim School of Management angenommen wurde. Sie beschäftigt sich mit den Rollen und Praktiken managementorientierter Controller und betrachtet diese aus unterschiedlichen soziologischen Perspektiven. Die Erstellung dieser Dissertation war nur durch die intensive Unterstützung zahlreicher Akteure möglich, bei denen ich mich auf diesem Wege herzlich bedanken möchte.

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List of Abbreviations

CA	Controller Akademie
CAP	controller's annual planner
CEO	chief executive officer
CFO	chief financial officer
CRM	customer relationship management
CV	curriculum vitae
EBIT	earnings before interest and taxes
EDI	electronic data interchange
ERP	enterprise resource planning
HR	human resources
IT	information technology
MBA	master of business administration
R&D	research and development
SIP	SANITA international pricing
TMAT	ten main things
VMI	vendor-managed inventory
VP	vice president

A Introduction

A.1 Motivation

“One could, of course, claim that we are only interested in controller work when they do what we (academics) define as controller work. But then we would condemn (in the accounting literature) the controller to eternal hard reporting and analyzing labour and a boring identity as appendix to accounting machinery. Unproblematic for the academic discipline perhaps, but in the field we observe controllers in much more challenging and complex situations.” (Jönsson, 2009, p. 232)

In a recent publication, Jönsson (2009) argued that “research in management control and especially the work role of controllers therein has not made as much progress as it could have done over the last few decades” (p. 232). It seems undisputable that most studies in management accounting and control focus on the management accounting function as well as on systems or techniques such as activity-based costing (e.g., Friedman and Lyne, 1997; Jones and Dugdale, 2002; Soin et al., 2002), budgeting (e.g., Jagalla et al., 2011; Kilfoyle and Richardson, in press), or the balanced scorecard (De Geuser et al., 2009; Norreklit, 2000; 2003) as well as their design, use, or effects. Compared with the overall management accounting function, however, individuals (especially management accountants) have not received the same attention. In some studies, they even seem to be no better than extras within the organisational drama. However, if we consider management accounting as an organisational (and especially an institutional) practice (Chapman et al., 2009), then we must acknowledge that its existence depends on its performances by social actors (Ahrens and Chapman, 2007).¹ Otherwise, management accounting techniques and practices would not be handed down from one generation to another and would consequently disappear (Berger and Luckmann, 1966). It has been said that management accountants are not the only professional group within the firm carrying out management accounting practices and that

¹ One could argue that the existence of management accounting techniques can also be ensured by a formal codification of required actions in a rule-like way. This, however, would still require that actors bring these rules into life because their mere existence may otherwise lead to a decoupling between structure and actions.

management accounting is not just what management accountants do (Edwards, 1998; Jönsson, 2005). Nevertheless, management accountants represent an influential group within the firm (Jönsson, 2009; Sorensen, 2009) and also one that, at least in the literature, is linked to an increasing occupation of management positions (Armstrong, 1985; Fligstein, 1990; Lambert and Pezet, 2011; Whittington and Whipp, 1992). For management accountants, this development is especially striking because compared with financial or public accountants they do not have a statutory force “behind their backs” that can strengthen their positions. In their daily business, management accountants thus seem to be open to internal power struggles, political games, and conflicts (Ezzamel and Burns, 2005; Jones, 1992; Vaivio, 1999).

But what do we actually know about the everyday lives of management accountants and the apparently complex and challenging situations in which they are engaged (Jönsson, 2009)? Looking at the research published over recent decades (e.g., Ahrens and Chapman, 2000; Byrne and Pierce, 2007; Doran, 2006; Hopper, 1980; Järvinen, 2009; Kester, 1928; Sathe, 1983; Simon et al., 1954; Sorensen, 2009) it can be interpreted that interest in management accountants has steadily increased. An important driver for this increasing interest seems to be the emergence of more business- and management-oriented roles (Baldvinsdottir et al., 2009; 2010; Burns and Baldvinsdottir, 2005; Caglio, 2003; Granlund and Lukka, 1998b; Järvenpää, 2007) associated with the renunciation of the bean counter stereotype (Bougen, 1994; Doran, 2006; Friedman and Lyne, 1997; 2001; Jeacle, 2008). Nevertheless, previous studies on this phenomenon have either been conceptual (Weber, in press) or focused on the macro-level (Granlund and Lukka, 1998b) as well as on the effects of management accounting techniques, systems (Caglio, 2003; Friedman and Lyne, 1997), or strategic changes (Järvinen, 2009; Yi and Tayles, 2009). Studies that explicitly focus on the everyday roles and practices of management accountants, however, have been rare or, at least, have lacked sufficient depth in their analysis (Byrne and Pierce, 2007; Emsley, 2005; Hopper, 1980; Mouritsen, 1996; Yazdifar and Tsamenyi, 2005). Management accountants thus sometimes seem to be “embellishments” rather than the actual objects of study. As a result, even after decades of management accounting research, the following questions remain relevant: what do management accountants –

especially those considered to be business- and management-oriented – do within the firm and how does what they do influence the firm and its members? And if management accountants really exert an influence on the firm, why should or even do managers approve or accept it?²

It can be assumed that business- and management-oriented role concepts such as *business partner* do not merely exist as ideological constructs that are driven by professional associations, consultants, academics, dynamic and eloquent practitioners, or other institutional workers (Lawrence and Suddaby, 2006). It can rather be assumed that in order to be effective, roles have to be interpreted or even designed at the firm level and reflected in actions. Accordingly, management accountants who consider themselves business partners may not be satisfied with engaging in practices such as recording, data inputting, and reporting (Friedman and Lyne, 2001; Järvinen, 2009) and would thus strive to participate in management practices. Management practices, however, are mostly linked to clearly defined areas of responsibility and corresponding systems of accountability and thus are reserved for managers. So what part of management practice can actually be performed by management accountants, if any? This question, interestingly, resonates with the call made by Jönsson (1998; 2009), namely to relate management accounting and management accountants to managerial work. Hitherto, this issue has been neglected in most empirical studies.

Based on the context dependency of management accountants' roles and practices (Byrne and Pierce, 2007), it seems that one cannot address the issues mentioned above by means of research methods, which cannot account for the complexities of specific organisational contexts (Jönsson, 2009; Mouritsen, 1996). Thus, to understand the social mechanisms and rationales underlying management accountants' roles and practices (Jones, 1992), in-depth research is required (Järvenpää, 2007; Jönsson, 2009; Tomkins and Groves, 1983a). However, besides some valuable exceptions (e.g., Ahrens, 1997; Burns and

² As this dissertation has been written in a German context, the work conducted by German researchers should also be acknowledged in this thesis. Over the last more than 30 years, a vast amount of empirical papers dealing with the controller (which is the German equivalent to the management accountant) has been published in German research as well as practitioner-oriented journals. These studies present valuable empirical insights about the work and role of the German controller. Concerning an overview of empirical studies on German controllers, see Goretzki et al. (2010), Weber et al. (2010) and especially Weber and Nevries (2010).

Baldvinsdottir, 2005; Caglio, 2003; Järvenpää, 2007; Lambert and Pezet, 2011), in-depth studies that focus on the everyday roles and practices of management accountants are limited. Consequently, it can be stated that Jönsson's (2009) call legitimately encourages additional research on management accountants. In order to address this call, researchers should not only focus on thick empirical descriptions of the everyday life of the management accountant, but also present convincing theorisations, which, in turn, would allow for generating reliable findings that contribute to the creation of a more coherent body of literature. With this dissertation, I thus aim to contribute to the further development of the research stream dealing with management accountants and their roles and practices.

A.2 Research objectives

The aim of this dissertation is to present in-depth insights into management accountants. It thereby especially focuses on the roles and practices that depart from traditional bean counting (Friedman and Lyne, 2001). As roles and practices are not only dependent on management accountants' individual characteristics (Emsley et al., 2006) but also on the preferences and expectations of other firm members (Byrne and Pierce, 2007; Mouritsen, 1996), this dissertation also aims to broaden our knowledge of management accountants' relationships with other actors within the firm, especially managers. In the following section, the research objectives of this dissertation will be outlined in more detail.

A.2.1 Research objective one: Exploring role change at the micro-level

In recent publications, management accountants have been depicted as undergoing a process of role change in which course they are shifting towards a stronger business and management orientation (Sorensen, 2009). However, in-depth empirical research on these processes and theoretical foundations is still rather scarce. Previous studies have mostly dealt with this issue either from a normative (see also Burns and Baldvinsdottir, 2005) or from a macro perspective (Granlund and Lukka, 1998b). In order to broaden our understanding of the empirical phenomenon of management accountants' role change, this

dissertation will empirically investigate how role change proceeds at the micro-level. Moreover, most previous studies have dealt with role change as a rather unintended consequence. In order to contribute to the literature, this dissertation thus investigates intended role change that was driven by an incoming change agent. Overall, drawing on institutional theory, research objective one will answer the following question: *how do change agents drive professional role and professional role identity change of management accountants within the organisation?*

A.2.2 Research objective two: Studying management accountants' practices

The first research objective focuses on the professional role and professional role identity of management accountants. In order to complement this perspective, research objective two investigates the practices in which management accountants who consider themselves and are also considered by others as business- and management-oriented are engaged. Although a lot has been written about management accountants from various theoretical angles (Burns and Baldvinsdottir, 2005; Caglio, 2003; Lambert and Pezet, 2011; Yi and Tayles, 2009), little is known about the practices and actions in which management accountants are engaged and how these practices, in turn, influence the firm and its members (Jönsson, 2009; Tomkins and Groves, 1983a). Besides normative prescriptions (Siegel, 2000a; Siegel et al., 2003a; 2003b) or conceptual considerations (Weber, in press), this holds especially true for management accountants' engaging in practices that mark them out as business- and management-oriented and by which means they aim to add value to the firm (Järvenpää, 2007), assist management with decision-making processes (Victoravich, 2010), or are even actively involved in the management of the firm (Zoni and Merchant, 2007). Although some empirical studies have mentioned the effects of business- and management-oriented management accountants, at least in passing, this issue has thus far not sufficiently been explored. Therefore, the second research objective of this dissertation will draw on a recent stream of practice theory (Schatzki, 2005; 2006) to answer the following research question: *what does management*

accountants' involvement in the business and management of the firm look like at the micro-level and how can it be theoretically grounded and explored?

A.2.3 Research objective three: Exploring the role of critical actors and critical practices

Complementing the findings of research objectives one and two on management accountants' roles and practices, the third research objective focuses on managers' perspectives as the internal customers of management accountants. In this sense, I will investigate why managers accept management accountants' influential roles and their engagement in influential practices. In particular, research objective three deals with management accountants' critical roles (Becker and Messner, 2005; Messner et al., 2008b; Weber and Schäffer, 2008). It sheds light on the perceived importance of management accounting for managers and its use as a technology by which means managers govern themselves. In sum, drawing on a Foucauldian perspective (Foucault, 1986; 1988), research objective three will answer the following question: *why do managers accept the influential roles of management accountants and management accounting for the management of the firm?* Thereby, research objective three will discuss the influence of management accounting and management accountants on managers from a more critical perspective.

A.3 Research approach

In order to address these three research objectives, a qualitative single case study was conducted. The case study approach "is an in-depth and contextually informed examination of specific organisations or events that explicitly address theory" (Cooper and Morgan, 2008, p. 160). A case study is useful where researchers are investigating (1) complex and dynamic phenomena where many variables are involved, (2) actual practices, and (3) phenomena in which the context is crucial because it affects the phenomena being studied (Cooper and Morgan, 2008; Yin, 1989). The case study approach basically offers the researcher the possibility to understand how management accounting is understood and mobilised in practice

(Scapens, 1990). Compared with other methods such as surveys, archival research, and experiments, the case study approach allows us to account for organisational complexities that shape the practice of management accounting and the work of management accountants (Mouritsen, 1996). Methodologically (Ahrens and Chapman, 2006; Silverman, 1993), I follow a qualitative research approach and acknowledge that “[s]ocial reality is emergent, subjectively created, and objectified through human interaction” (Chua, 1986, p. 615). In this light, a *single* case study was considered to be most appropriate because dealing with different research objectives within one organisational context allows for creating in-depth but also complementary findings that strengthen the overall contribution of this dissertation. Single case studies are moreover considered to be valuable in order to address theory (Dyer and Wilkins, 1991). Although alternative research approaches, such as cross-sectional field studies (Lillis and Mundy, 2005) or large-scale surveys, would additionally offer the possibility to compare different empirical settings and to discuss varying results, these advantages would only be possible at the expense of depth or require an excessive use of resources.

In the search for an appropriate *empirical setting* to study the roles and practices of business- and management-oriented management accountants, I came across SANITA (fictitious name). SANITA is an innovation-driven international manufacturing firm that is headquartered in Germany. It was founded at the beginning of the 20th century as a family firm and it has production plants in various European countries, the USA, and China. Overall, the firm employs approximately 3,000 people worldwide and generated revenue of approximately €90 million in 2010. More information concerning the case firm will be presented in Chapters B, C, and D of this dissertation.

SANITA was selected as a case firm for various reasons. Over the past 15 years, the firm has undergone an intensive management accounting change process. This change was driven by a new CFO, who joined the firm in 1994 and in 2008 was appointed CEO. In light of this change process, SANITA proclaimed in various publications and presentations that the role of the management accountant had changed from “financial controller to business partner”. Thus, the firm constituted an interesting case to

study the role change of management accountants. In addition, various members of SANITA were active in professional associations for management accountants and, in this context, they argued in presentations and publications that the firm's management accountants and management accounting techniques and systems serve as essential parts of the firm's management. Additionally, within its relevant business community and by professors of management accounting as well as business consultants, SANITA is considered as a 'best practice' in terms of successfully introducing and implementing an influential management accounting as well as a business partner role for management accountants. The firm thus presented an interesting empirical setting to study management accountants' influence on the firm. A further reason for choosing SANITA as the case firm was a rather practical one. SANITA showed great interest in the study and agreed to support the research project and to offer access to intensive interview data. Together with another researcher, I consequently conducted 46 interviews with 43 interview partners, including managers and management accountants from SANITA's headquarters as well as from its subsidiaries in various European countries, the USA, and China. In order to triangulate the data, alternative sources such as annual reports, PowerPoint presentations, as well as book and magazine publications by members of the case firm were analysed. In addition, I attended several lectures on the firm's management accounting function held at universities or practitioner conferences. More detailed information on the data collection and analysis stage is contained in the subsequent sections of this dissertation.

Methodically, the qualitative research approach is highly flexible and iterative. Qualitative studies require an intensive moving back and forth between empirical data, previous research, and theory (see e.g., Ahrens and Chapman, 2006; Jørgensen and Messner, 2010; Lambert and Pezet, 2011) in order to carve out a contribution. Qualitative field studies thus involve "an ongoing reflection on data and its positioning against different theories such that the data can contribute to and develop further the chosen research questions" (Ahrens and Chapman, 2006, p. 820).

Based on the different foci of the three research objectives and the qualitative research design, I had to draw on different theories to interpret and reflect upon the data and to work out the overall contribution of this dissertation.³ I will briefly outline the complementary theoretical perspectives that are used in this dissertation as sensitising devices. Research objective one aims at investigating the professional role change of management accountants within the case firm. To theorise the data, I draw on recent writings on institutional theory (Greenwood et al., 2008b; Scott, 2008) and explicitly contribute to the stream of literature that deals with professional role change and professional role identity reconstruction at the micro-level (Burns and Baldvinsdottir, 2005; Chreim et al., 2007; Järvenpää, 2007; Reay et al., 2006). To study research objective two, I adopt a practice theory perspective (Schatzki, 2005; 2006) and contribute to recent literature (Ahrens, 2009; Ahrens and Chapman, 2007; Jönsson, 2009) by investigating management accountants' engagement in so-called meta-practices, namely practices that structure and organise the performances of the firm's constituent actions. Studying the influential position of management accounting and management accountants, research objective three explores why managers are seemingly willing to use management accounting techniques and to work together with management accountants. To explore and analyse this phenomenon, I draw on Foucault's concept of technologies of the self (Foucault, 1988). The findings of research objective three thus contribute to the recent literature stressing the importance of Foucault's later work for management accounting research (Kosmala and McKernan, 2011; Lambert and Pezet, 2011). In addition, with research objective three, I contribute to the literature on critical practices and critical actors (Messner et al., 2008b). Overall, the theoretical lenses used in the present thesis have been described as highly compatible and even complementary (Cooper et al., 2008; Lawrence, 2008; Lawrence et al., 2001; Lounsbury, 2008; Meyer and Jepperson, 2000; Mohr and Neely, 2009). On the whole, this dissertation thus presents a coherent contribution and theoretical foundation to the literature on management accountants. In the following section, I will briefly delineate how the theoretical devices used in this thesis complement each other.

³ The different theories will be explained in more detail in the subsequent chapters of this dissertation.

Essentially, the three theoretical perspectives, namely institutional theory, practice theory, and Foucauldian thoughts, deal with the development and effects of social structures as well as the meta-theoretical interplay of structure and agency. Advocates of these theoretical perspectives share the view that reality is socially constructed and objectified through human interaction. In their analyses, however, they stress different aspects of social structures. Institutional theory deals with the social institutions as well as processes by which specific templates, schemas, rules, norms, routines, and roles become established within a society (Scott, 2008). Earlier writings on institutional theory tended to focus on a macro-level perspective (Meyer and Rowan, 1977) as well as processes of isomorphism (DiMaggio and Powell, 1983).⁴ Recent writings, however, have shifted towards a more micro-level perspective (e.g., Lounsbury, 2008; Powell and Colyvas, 2008). In order to extend the repertoire of original macro-level-oriented theoretical concepts with the aim of better understanding the micro-effects of social institutions and the micro-processes of institutionalisation, researchers have argued that “by focusing more on actors and organizational [sic] heterogeneity, institutionally-oriented theorists may seek fruitful connections to currently fashionable domains such as practice theory that have been influential in contemporary studies of accounting and related contexts” (Lounsbury, 2008, p. 351). Compared with institutional theory, which mainly stresses the symbolic sides of different social institutions, practice theory places a stronger focus on actors’ actions as well as their intentionality (Ahrens, 2009; Ahrens and Chapman, 2007). Accordingly, practice theory sheds light on what actors do and their interactions in the process of creating social structures or societies such as organisations (Schatzki, 2005). By focusing on organised arrays of activities, practice theory is considered to enable a deeper analysis of management accounting as organisational and institutional practice (Ahrens, 2009) and its associated actions as well as emergence, development, or disruption. In order to deepen the findings presented in Chapter B, in Chapter C I draw on Schatzki’s (2005; 2006) prominent version of practice theory⁵ to investigate management accountants’ practices and actions at the micro-level. This perspective helps to explain what practices actually underpin a management accountant’s business- and management-oriented professional role. By studying

⁴ An overview of the work that has been carried out on institutional theory is presented in Greenwood et al. (2008b).

⁵ See Feldman and Orlikowski (2011) for a recent overview of the basics and different strands of practice theory.

management accountants' participation in organising practices and exploring how they shape the understanding and design of management accounting within the case firm, I contribute to the literature on management accounting as practice (e.g., Ahrens and Chapman, 2007). In order to further deepen my analysis, in Chapter C, I draw on another version of practice theory, namely a Foucauldian one (Feldman and Orlikowski, 2011). Foucauldian management accounting research deals with the disciplinary power of specific modes of governance. As a specific kind of practice theorists, Foucauldian researchers aim to problematise and accordingly better understand the development of social structures or institutions as well as their effects. So-called Foucauldians thus look at the processes of institutionalisation from a more critical perspective from which social structures are not only considered to be taken-for-granted and value-free. Rather, Foucauldians aim to critically examine the processes of institutionalisation (Cooper et al., 2008) and study the role of power in these processes (Lawrence, 2008). Moreover, they question how and why specific social structures emerge as well as how they are internalised by actors and thereby shape their thinking, acting, and identities. Like Schatzki's (2005; 2006) practice theory, Foucault's thoughts have also already been used in management accounting research (e.g., Lambert and Pezet, 2011; Vaivio, 1999) and described as complementary with institutional research. Meyer and Jepperson (2000), for instance, stated that Foucault's technologies of the self are "obviously directly relevant [...] with the idea that specific features of actorhood are generated by specific institutional structures" (p. 102). Foucauldian thoughts are thus helpful for studying how specific institutions or institutional practices such as formal accounting controls (Greenwood et al., 2008a) affect actors as well as their thinking and acting at the micro-level. Other authors have even argued that Foucault's ideas are inherently contained in basic writings on institutional theory (Mohr and Neely, 2009). In Chapter C, the basic institutional character of this dissertation is thus enhanced by a more critical perspective (Cooper et al., 2008).

A.4 Organisation of the dissertation

The present dissertation is structured as follows. This introduction will be followed by *Chapter B*, which deals with the relationship between legitimacy seeking and power mobilisation in the context of

change agent-driven professional role and professional role identity change within the case firm. This chapter contributes to research on the institutionalisation of professional roles at the micro-level.

Chapter C investigates the practices in which business- and management-oriented management accountants are engaged. It explicitly explores actions that mark out management accountants within the case firm as partners of the managers. This chapter contributes to the existing literature by showing that management accountants influence the firm by organising and structuring the performances of the firm's constituent actions.

Chapter D focuses on managers' perspectives. From a critical perspective, it investigates why managers not only apparently allow but even support an influential role for management accounting and management accountants within the firm. This chapter critically examines the importance of management accounting and management accountants for managers. It illustrates that managers not only use management accounting techniques for governing subordinates but also for self-governance.

Chapter E, which is the final chapter of this dissertation, summarises the major findings and contributions of this dissertation. It also discusses its limitations and presents ideas for further research.

B An Institutional Perspective on Management Accountants' Changing Role

Abstract

Over recent decades, it has been claimed that management accountants have changed from being considered 'bean counters' towards becoming business-oriented members of the firm, or even members of the management team. Beyond a rather shallow rhetoric, however, it can be argued that changes in professional role and professional role identity reflect complex social processes. Thus, it appears to be reasonable to study these phenomena from a sociological perspective. In order to study role change in more detail, this chapter of the present dissertation investigates how an incoming change agent initiated the institutionalisation of a new professional role and the corresponding reconstruction of the professional role identity of management accountants. By doing so, it enables a deeper understanding of professional role phenomena at the micro-level, which are often superficially discussed at the macro-level. This chapter shows that changes in the meaning systems underlying the professional role of management accountants are required in order to institutionalise this new role and reconstruct a professional role identity. It further shows that changes in meaning systems are supported when change agents seek legitimacy for role change and the corresponding mobilisation of power. However, the study also indicates that in the context of professional role change, legitimacy seeking and power mobilisation are dialectically interrelated.

The findings presented in this chapter of the dissertation have already been presented at the 8th ENROAC Conference in Lisbon, 26th EAA Doctoral Colloquium in Istanbul, the 3rd Workshop on Management Accounting as Social and Organizational Practice (MASOP) in Copenhagen, the 7th Annual Conference for Management Accounting Research (ACMAR) in Vallendar, as well as in research seminars at the University of Innsbruck and the University of Münster.

B.1 Introduction

The management accounting profession is depicted as undergoing pervasive changes (e.g., Baldvinsdottir et al., 2009; Burns et al., 1996; Burns and Yazdifar, 2001; Russell et al., 1999; Sorensen, 2009). From a macro-discourse perspective reflected in, for example, practitioner journals or newspapers, management accountants seem to be more and more involved in assisting management with decision-making and strategy building (Sorensen, 2009). In some cases, management accountants seem to have even evolved into members of the management team (Granlund and Lukka, 1998b), and with a certain taken-for-grantedness, various authors use terms such as ‘business partner’ in order to describe this apparently ‘new’ and more business-oriented role of the management accountant (Siegel, 1999, 2000b; Sorensen, 2009; Victoravich, 2010). These apparent changes within the management accounting profession also seem to be supported by professional associations (Greenwood et al., 2002) that aim to further advance the role of the management accountant not only within the organisation but also within the wider society.

Even though the management accounting profession seems to pass through periods of change, most empirical studies on management accounting change tend to focus on practices or systems alone. Changes in the professional role and professional role identity of management accountants, namely changes in the “goals, values, beliefs, norms, interaction styles, and time horizons that are typically associated with a role” (Ashforth, 2001, p. 6), and the social mechanisms underlying the corresponding change processes are treated rather implicitly. This seems astonishing, because researchers have to understand such changes in professional role identity given that professionals – defined as people that are qualified by training or certification to perform a particular role (Hwang and Powell, 2009) – are of particular importance not only in organisations but also in society itself (Chreim et al., 2007, p. 1515). Against the backdrop of recent scandals such as Enron (Seal, 2006), this argument also holds true for accounting professionals, which are considered to bear tremendous social responsibility because they are producers of truthful knowledge within the firm (Lambert and Pezet, 2011).

Social actors and their roles are fundamental concepts in the realm of institutional theory, which is a prominent theoretical lens in the sociological management accounting literature (Ribeiro and Scapens, 2006). From an institutional perspective, roles “arise as common understandings develop that particular actions are associated with particular actors” (Berger and Luckmann, 1966, pp. 73-75). Roles can thus be considered to be normative phenomena (Scott, 2008), in which specific actions are ascribed to specific actors. However, it has further been argued that roles can also develop in particular contexts through the habitualisation and objectification of repetitive patterns of action, the operation of wider institutional scripts, and through wider belief systems and cultural frames imposed on or adopted by individual actors and organisations (Scott, 2008). Emphasising the importance of actors and their roles, Berger and Luckmann (1966) stated that “whereas an institution is like the unwritten libretto of a drama, the realization of the drama however depends upon the reiterated performance of its prescribed roles by living actors. Neither drama nor institution exist empirically apart from this recurrent realization” (p. 75). In this sense, it can be argued that management accounting as an institutional practice can be regarded as interlinked with actors and their roles and actions. I thus propose that researchers who are trying to explain management accounting practice should also focus on actors. As professionals, management accountants can be seen as institutional carriers (Scott, 2008; Zilber, 2002) and thus worthy of being studied in more detail (Burns and Vaivio, 2001).

However, apart from certain valuable exceptions (Burns and Baldvinsdottir, 2005; Nor-Aziah and Scapens, 2007; Yi and Tayles, 2009), the existing institutional theory that has motivated management accounting research has tended to overlook management accountants as actors whose characteristics and action routines are shaped by but, in turn, also shape institutions. I therefore locate my research within the strand of literature on a more actor-focused institutional theory perspective (Dacin et al., 2002; DiMaggio, 1988; Zilber, 2002). In light of the foregoing, I propose that a detailed micro-understanding of the social mechanisms underlying the construction and reconstruction of management accountants' professional role and professional role identity contributes not only to the management accounting literature (Burns and Baldvinsdottir, 2005) but also to the literature on changes in professional roles and professional role

identities that is rooted in an institutional perspective (e.g., Chreim et al., 2007; Goodrick and Reay, 2010; Reay et al., 2006).

This chapter of the dissertation investigates the influence of legitimacy seeking and power mobilisation on management accountants' professional role identity in the context of the institutionalisation of a new professional role instituted by an incoming change agent. In this context, this chapter aims to contribute to our knowledge on the social mechanisms, namely “‘the nuts and bolts’ of social processes” (Scott, 2008, pp. 121-122), underlying changes in management accountants' professional role. The present chapter argues that the institutionalisation of a new professional role of management accountants requires a reconstruction of the professional role identity caused by changes in the meaning systems underlying that professional role. The present case study shows that the agent-driven institutionalisation of a new professional role of management accountants requires legitimacy, which can be granted by normative actors such as professional associations or professional education institutions. This study shows that these actors can provide management accountants with templates and scripts for appropriate and desirable behaviour. By doing so, normative actors can also exert normative pressure on management accountants, which further affects the meanings they attach to their professional role and consequently their professional role identity. Moreover, contradicting the findings of Reay et al. (2006), the chapter shows that delegitimising the former role of management accountants within the firm can support the institutionalisation of a new one. Furthermore, it presents empirical evidence for the dialectic interplay between legitimacy seeking and power mobilisation that underlies the institutionalisation of a new professional role.

The remainder of this chapter is structured as follows. The next section provides a short overview of previous research on the changing role of management accountants and presents the research question. Then, I discuss the theoretical framework adopted for the present study, introduce the case firm and the research method, and present the empirical material. The chapter concludes with a discussion of the results, limitations, and ideas for future research.

B.2 Research on management accountants' roles

Previous empirical studies have described how the management accounting profession has moved towards a stronger business orientation (Baldvinsdottir et al., 2009; Granlund and Lukka, 1998b; Järvenpää, 2007; Sorensen, 2009). More business-oriented roles of management accountants are thereby depicted as contrasting the traditional so-called 'bean counter' stereotype (Bougen, 1994; Friedman and Lyne, 2001), which is hallmarked by routine work such as recording, data inputting, and reporting (Järvinen, 2009). By contrast, business-oriented management accountants are regarded as not merely creating a firm's information base. Rather, they are also considered to be willing and capable to provide more added value to the decision-making and control of the firm (see also Järvenpää, 2007).

As previous research has focused on changes in management accountants' professional role because of changes in the institutional or organisational context, the intended role change that is driven by change agents has been neglected in the literature. Changes in management accountants' professional role have often been depicted as consequences of introducing new practices (Emsley, 2005; Friedman and Lyne, 1997) or IT systems (Caglio, 2003; Dechow and Mouritsen, 2005; Jack and Kholeif, 2008; Scapens and Jazayeri, 2003). Moreover, it has been argued that because of changing demands and expectations driven by uncertainty (Pierce and O'Dea, 2003), management accountants are expected not only to provide but also to interpret management accounting data in more detail and thereby even to advise managers. Furthermore, it has also been shown that role change may arise from closer cooperation between managers and management accountants. This increasing cooperation may turn management accountants into facilitators of business decisions (Johnston et al., 2002), fostering their involvement in strategy building (Tillmann and Goddard, 2008; Yi and Tayles, 2009) or even management (Sathe, 1983; Zoni and Merchant, 2007). Looking at this from the macro-level, Granlund and Lukka (1998b), using the example of Finland, studied role change that resulted from wider cultural changes. In their study, they showed that management accountants that abandon stereotype roles such as bean counters, watchdogs, or historians are more expected by firms to facilitate organisational decision-making and perform as consultants, business advisors, change agents, or even members of the management team (Granlund and Lukka, 1998b).

However, owing to their focus on cultural effects and the adoption of a macro-perspective, the authors did not analyse in detail the rationales for these shifting expectations of management accountants or the reconstruction of role identity within the firm. Moreover, the study by Burns and Baldvinsdottir (2005) showed that 'institutional contradictions' (Seo and Creed, 2002) may turn embedded management accountants into change agents and that this may further lead to role changes. The study by Burns and Baldvinsdottir (2005) presented valuable in-depth insights, but like other studies (see e.g., Yi and Tayles, 2009, who investigated management accountants' increasing business orientation in the light of the introduction of strategic management accounting practices) it tended to focus more on *why* rather than *how* management accountants' professional role has changed. Furthermore, Burns and Baldvinsdottir (2005) left some room for further research on management accountants' changing professional role identity. Järvenpää (2007) presented a broad case study on how the management accounting culture of the case firm had changed and how management accountants' business orientation had increased through so-called cultural interventions. He argued that "the increasing business orientation of accounting is not just about implementing new management accounting innovations, neither is it just about being more managerially active, but it includes a whole array of different cultural change interventions" (Järvenpää, 2007, p. 133). Based on his study, Järvenpää (2007) called for more micro-studies on the role change of management accountants. In particular, he argued that further research should investigate the legitimacy-seeking behaviour of accountants in the context of role change. I also argue that legitimacy may be especially interesting in cases of actor-driven professional role change. As previous studies, however, have tended to deal with changing professional roles as a consequence and not as an intended process, we know little about the intended professional role change of management accountants, especially about how change agents go about supporting and legitimising a new professional role within the firm. In order to contribute to the literature, the present chapter thus studies the institutionalisation of a new professional role introduced by a change agent that considers changes in a management accountant's role moving towards 'business partners' as a kind of personal mission. Therefore, this case study, which is based on institutional theory, is inspired by recent calls to turn away from a mere macro-analyses to "return to rich

case studies” (Suddaby, 2010, p. 16). In order to take account of actors, meanings, and actions as well as the interplay between the institutional context and organisational micro-processes (Burns, 2000; Chreim et al., 2007) within the institutionalisation of management accountants' new professional role, I draw on recent insights from institutional research (Chreim et al., 2007; Greenwood and Hinings, 1996; Hasselbladh and Kallinikos, 2000; Hirsch and Lounsbury, 1997; Reay et al., 2006; Scott, 1994; Zilber, 2008; Zilber, 2002) in order to answer the following research question:

How do change agents drive professional role and professional role identity change of management accountants within the organisation?

In the following section, the theoretical framework used to analyse the empirical material will be explained.

B.3 Theoretical background

B.3.1 The role of roles in institutional management accounting research

In recent times, institutional theory (DiMaggio and Powell, 1983; Greenwood et al., 2008b; Meyer and Rowan, 1977; Zucker, 1977) has become a powerful theoretical lens in management accounting research (Moll et al., 2006; Ribeiro and Scapens, 2006). Referring to Scott (2008), I define institutions as comprising regulative, normative, and cultural-cognitive elements with associated activities and resources providing “stability and meaning to social life” (p. 49). The prominence of institutional theory in management accounting research can be considered to be grounded in an understanding of accounting systems as institutions existing at the organisational level (Greenwood et al., 2008a). However, professional roles, such as the role of the management accountant, have also been described as institutions (see e.g., Reay et al., 2006) or, at least, as essential elements of institutions (Scott, 2008). Referring to Scott (2008), roles are fundamental elements of the normative as well as the cultural-cognitive conception of institutions. Astonishingly, regardless of the developments in the various strands of role theory (Biddle,

1986; Simpson and Carroll, 2008), institutional researchers have only rarely studied roles, especially the development and changes of roles within organisations (Chreim et al., 2007).

Therefore, I argue that management accounting research drawing on institutional theory can benefit from more empirical research and the concise theorisation of roles and role change because the role of the management accountant seems to be gaining more and more relevance within practice and academia, but often bears little relation to theory. In the following section, I outline my research framework, which draws on recent insights from institutional theory and which will later be used to analyse changes in the professional role of management accountants within the case firm.

B.3.2 Crafting a research framework

Professional role: Drawing on normative and cultural-cognitive perspectives (Scott, 2008) in institutional theory, I argue that roles focus on the interaction structure in a particular setting (Chreim et al., 2007). From a normative perspective, roles are “conceptions of appropriate goals and activities for particular individuals or specified social positions” (Scott, 2008, p. 55). They are considered to be accumulating values and norms, which apply only to selected types of actors or positions. Moreover, roles are regarded as formally constructed or informally emerged normative conceptualisations associated with prescriptions and normative expectations (Scott, 2008). From this perspective, roles are manifestations of external pressures regarding the expected behaviour of particular actors, which – to varying degrees – are then internalised by the latter. Analysing roles from a more cultural-cognitive angle, following Scott (2008), one finds an alternative interpretation of roles, which rather points to the power of templates for specific types of actors and scripts for action. Cultural-cognitive theorists consider roles as typifications occurring in association with a particular stock of knowledge shared by a collectivity of actors. From a cultural-cognitive perspective, roles may develop within an organisation as repetitive patterns of actions but they may also evolve through the operation of wider institutional frameworks providing prefabricated organising models and scripts (Scott, 2008). Cultural-cognitive theorists thus stress the importance of common frameworks of meaning that are associated with roles. Despite pointing out some major

differences, Scott (2008) argued that empirical research has rather tended to observe combinations or alignments of different perspectives on institutions. For the analysis of management accountants' professional role, I thus draw on both the normative and cultural-cognitive perspectives on roles described above. Overall, I argue that roles are manifestations of prescriptions or expectations towards focal actors that result as typifications that affect the beliefs and behaviour of actors that belong to a particular type (e.g., a specific professional group). Typifications may arise either within the organisation or at a wider level. They are associated with repetitive patterns of action, templates for behaviour, and/or wider institutional scripts, namely normative guidelines on appropriateness that inform the actions of organisations or actors (Glynn, 2008) and further define the constitutive expectations of actors (Beckert, 1999). This institutional understanding of roles builds the basis for my analysis of changes in management accountants' professional role.

Professional role identity: Professional role identity results from the enactment and internalisation of a particular professional role (Chreim et al., 2007; Goodrick and Reay, 2010). It can be described as the “relatively stable and enduring constellation of attributes, beliefs, values, motives, and experiences” (Ibarra, 1999, pp. 764-765) that defines an individual as an insider of a profession (Chreim et al., 2007). A new professional role can thus be considered institutionalised by linking role and identity, namely one's individual definition of the enactment of a professional role (Chreim et al., 2007). Referring to Chreim et al. (2007), role and identity evolve interactively with “no simple causal directionality between social structures, roles, and identity” (p. 1517). On one hand, actors may intentionally strive to change the role they enact in order to align it with their own identity. On the other hand, role change may appear as changing prescriptions or expectations, thereby inducing alterations in an actor's professional role identity (Nicholson, 1984).

Meanings: Meanings can be understood as “‘typifications’ in use that underlie the everyday definition and reality of the organization” (Smircich and Morgan, 1982, p. 259). Actors perceive the meaning of an institution and in turn infuse their actions with meaning based upon these perceptions (Zilber, 2008; Zilber, 2002). Changes in an actor's professional role identity thus require changes in the

interpretations and meanings one attaches to his or her professional role (Zilber, 2008; Zilber, 2002). Zilber argued that “if all actors enact the same institutional practices and associate them with the same corresponding institutional meanings, institutionalization will be stronger than if different subgroups reflect and enact different institutions” (Zilber, 2002, p. 251). In the context of changes in professional role identity, Chreim et al. (2007) highlighted the role of *reframing*, which they defined as changing templates for understanding and interpreting issues. Reframing incorporates change and continuity in the definitions of professional roles. They further showed that reframing is not entirely generated at a micro-level but may also be affected by discourses in the prevailing macro-environment.

Legitimacy: Meanings become valid and objectified through legitimacy (Berger and Luckmann, 1966; Scott, 2008), and are defined as “a general perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed systems” (Suchman, 1995, p. 574). Legitimacy is thus considered fundamental to institutionalisation. Investigating the process of legitimising a new professional role, Reay et al. (2006) found that cultivating opportunities for change, fitting the new role into prevailing systems, and proving the value of the new role are crucial to improve its legitimacy. Moreover, Reay et al. (2006) argued that these “microprocesses [sic] are demarcated by an accumulating series of small wins that consolidate gains while facilitating continuing change efforts” (p. 977). Later, Goodrick and Reay (2010) studied how a new professional role identity for registered nurses had been legitimised through discursive processes. In this context, however, they found that this new professional role identity might be accompanied by the development of new arguments in which the past however is not delegitimised. Goodrick and Reay (2010) stressed the importance of moral legitimacy and interactions between the professional task environment and the wider institutional environment in legitimising professional role identity. Investigating the reconstruction of professional role identity, Chreim et al. (2007) argued that role change “requires the convergence of the views of multiple stakeholders on the legitimacy of the role change” (p. 1525).

Normative actors: Besides arising from micro-processes, legitimacy can also be conferred by various cultural or political authorities such as agents of the state as well as professional and trade associations (see e.g., Greenwood et al., 2002; Scott, 2008) that are considered to be significant others for a particular group of actors (Scott, 2008).⁶ To describe such cultural or political authorities (Scott, 2008), I use the term *normative actors*. By normative actors, I mean individual or groups of actors operating at an organisational or organisational field level that, on one hand, exert normative pressure on actors' beliefs and behaviour and, on the other hand, are socially or morally authorised to confer legitimacy to particular beliefs and behaviour. From my perspective, normative actors can, for instance, be professional associations, institutes for professional education, consultants, academics, but also internal or external role models.

Power mobilisation: Legitimised structures can be supported by power (Scott, 2008; Stinchcombe, 1987). However, even though previous studies have emphasised the importance of legitimacy for professional role change (see e.g., Chreim et al., 2007; Goodrick and Reay, 2010; Järvenpää, 2007; Reay et al., 2006), the role of power has often been neglected. DiMaggio (1988) argued that “institutionalization is a product of the political efforts of actors to accomplish their ends [and that] the success of an institutionalization project and the form that the resulting institution takes depends on the relative power of the actors who support, oppose, or otherwise strive to influence it” (p. 13). Thus, from a more agent-based view on institutionalisation, power becomes especially visible in times of institutional change and institutional construction (DiMaggio and Powell, 1991; Scott, 2008). In light of this, changes in professional roles may, for instance, be associated with changes in an organisation's hierarchy or particular actors' access to resources. The mobilisation of power on the part of a change agent can, therefore, be considered necessary to support the legitimacy of a new professional role and, consequently, to achieve strategic change (Hardy, 1996; Lawrence, 2008; Lawrence et al., 2001).

Power is a broad concept that can be analysed from various perspectives (Clegg, 1989). In my analysis of how power supports professional role change that is driven by a change agent, I refer to

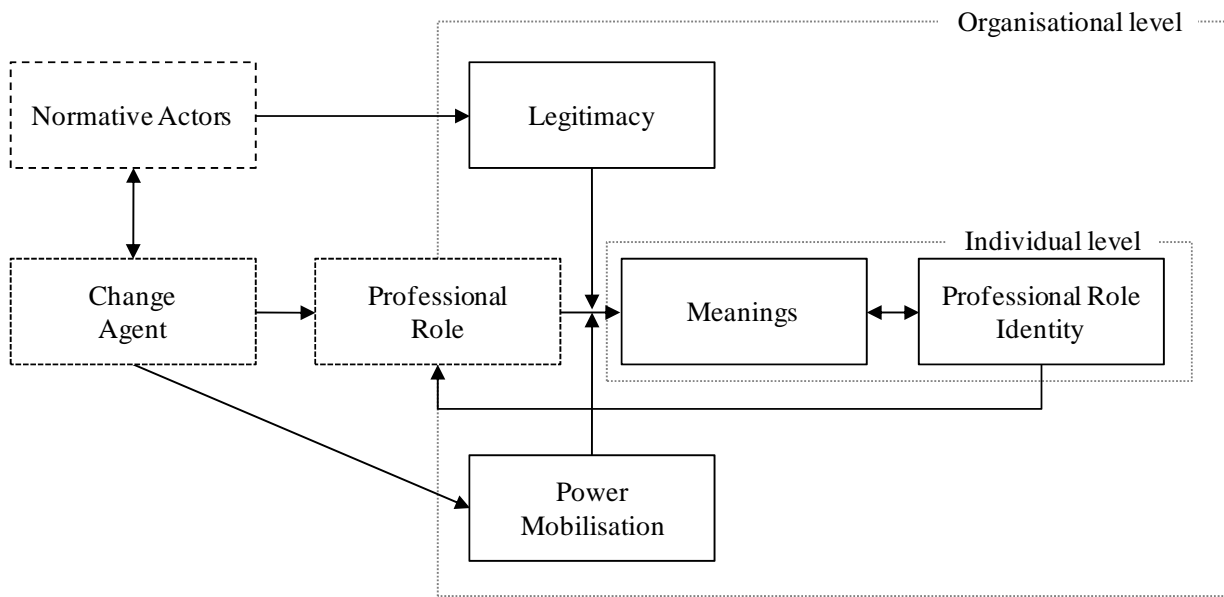
⁶ For example, a professional association can confer legitimacy to a particular professional group.

Hardy's (1996) conceptualisation of power mobilisation, which has already been used in the management accounting literature (Burns, 2000). Referring to Knights and Morgan (1991), Hardy (1996) defined power as a force affecting outcomes that an actor could not achieve alone. In this chapter I follow Hardy (1996) because she explicitly understands power in neutral terms and stresses its productive side. Hardy (1996) categorised power into four different dimensions: power over resources, decision-making, meaning, and the power of the system. The first dimension deals with key resources on which others depend and which thus have to be deployed by change agents to modify the behaviour of others. For instance, Hardy (1996) stated information, expertise, political access, credibility, stature and prestige, access to higher echelon members, the control of money, and rewards and sanctions as key resources that have to be deployed. Power over decision-making depicts an influence over subordinates' participation in decision-making processes 'from behind the scenes' (Burns, 2000). The third dimension describes the power over meaning, which aims at change agents' influences on actors' perceptions, cognitions, and preferences so that actors accept the status quo, fail to recognise alternatives, or become convinced that a particular change is desirable, rational, and/or legitimate. The fourth dimension depicts the power of the system which, following Hardy (1996), is "beyond the reach of tampering by organizational actors [and] lies in the unconscious acceptance of the values, traditions, cultures and structures of a given institution and it captures all organizational members in its web. [The power of the system is] the backdrop against which all organizational actions and decisions take place" (p. 8). Hardy (1996) further argued that it is the power of the system that actors must employ over the other three dimensions of power if they are to bring about change. Therefore, I argue that change agents have to modify the power embedded within the organisation in order to change management accountants' professional role (see e.g., Järvenpää, 2007).

In summary, the conceptual framework outlined in Figure B-1 can be utilised to investigate empirically the changes in the professional role and professional role identity of the case firm's management accountants. The framework together with the suggested relations between the theoretical concepts described above should be understood as the result of an iterative research process in which I went back and forth between theory, prior research, and the empirical material that will be presented in the

following sections. By using this framework, I will describe the micro-processes associated with professional role change and professional role identity reconstruction within the case firm and answer the research question posed earlier in this chapter of the dissertation.

Figure B-1: Research framework



B.4 Case background and research method

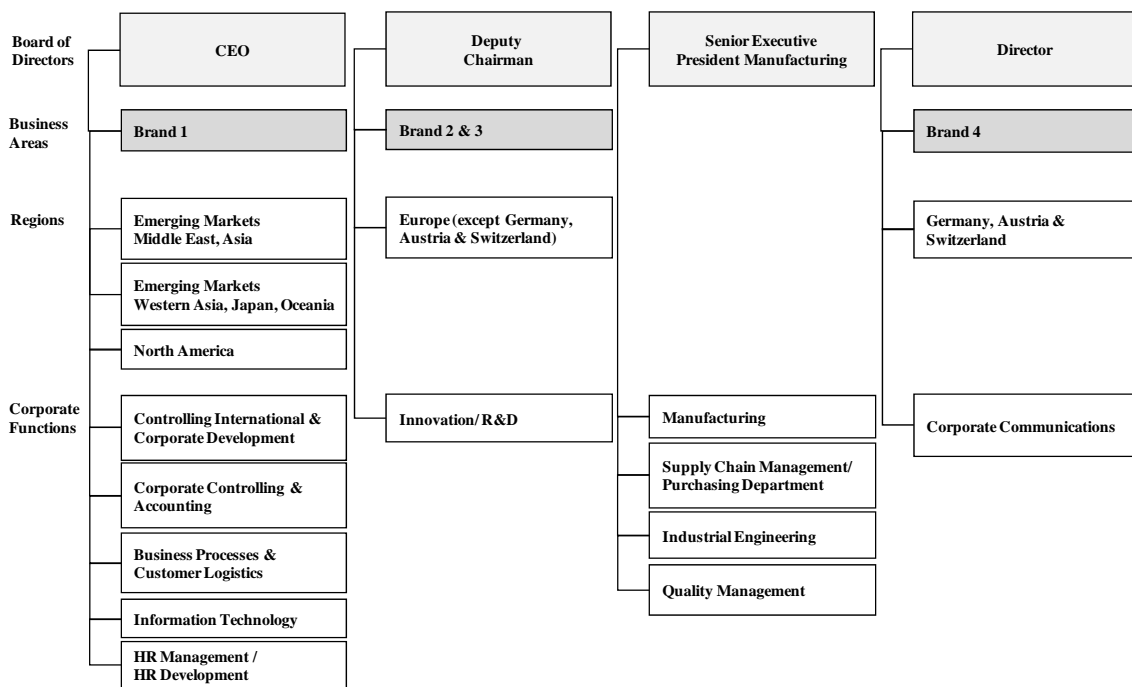
B.4.1 Case background

The study used for this dissertation took place within SANITA (fictitious name), an innovation-driven international manufacturing firm. The firm was founded at the beginning of the 20th century as a family firm and it is headquartered in Germany. It has production plants in various European countries, the USA, and China. Overall, it employs approximately 3,000 people worldwide. SANITA generated revenue of approximately €90 million in 2010. Despite the firm's increasing internationalisation and despite the majority shareholding of an American firm (AMFI) since 2000, family values still play a

fundamental role within SANITA and its culture. The SANITA family still holds shares and it remains represented on the executive board [*Vorstand*] and the board of directors [*Aufsichtsrat*].

Figure B-2 depicts SANITA's organisational structure. Since 2002, every member of the board, except the senior executive president of manufacturing, has officially been responsible for at least one brand, specific regions, or particular corporate functions. However, behind the official organisation chart, SANITA's internal structure is considered non-hierarchical. Social competence is considered more important than is professional competence, and organisational dynamism, flexible structures, and internal networks are regarded as fundamental pillars within the firm. Furthermore, interdisciplinary shaped networks as well as informal communication accompanied by a drive towards innovation are considered essential parts of the firm's culture and thus fundamental to its everyday operations. Moreover, innovation and the creation of new ideas are considered vital for the firm, and employees at all levels are encouraged to pitch new ideas and to establish cross-hierarchy contacts with colleagues and managers from other departments.

Figure B-2: SANITA's simplified organisational structure



As an innovation-driven family firm, SANITA focuses on innovative products and thus spends a vast amount of money on R&D and marketing activities. By doing so, it has acquired a reputation in its sector as an innovative leader in technology and design. Over recent years, however, the influence of management accounting and management accountants on organisational processes and decision-making has increased continuously. In light of this, SANITA publicly announced in various professional publications a change of its management accountants from 'financial controllers to business partners'. This prompted me to adopt SANITA for the present study. From my interviewees' perspectives, the increased perceived significance of management accounting and accountants for the management of the firm is primarily attributable to the activities of the present CEO, who was originally hired in the mid-1990s as CFO (hereafter referred to as P3). In this context, a new management accounting department reporting directly to P3 evolved.

Historically, SANITA unidirectionally focused on innovative products, while the firm's economic and financial perspective was often neglected. However, at the beginning of the 1990s, the German sales market for SANITA shrunk, which, at that time, was its main sales source. This caused the firm to suffer financial problems and fall into debt. Retrospectively, these financial issues are widely considered to have been brought about by a lack of top management awareness regarding economic control and long-term commercial thinking.⁷ Owing to the crisis, AMFI, the American shareholder, began to take an increasing interest in SANITA's long-term firm performance. Thus, in order to solve the financial problems, in the mid-1990s SANITA recruited a new CFO (i.e., P3) who was charged with the mission of balancing SANITA's strive for innovation and economic and financial results. Thus, P3's overall mission as CFO was to secure SANITA's profitability and to 'control' the firm's innovative forces (especially those of the CEO). Owing to his professional background, P3 brought with him knowledge about the structures and practices prevalent in other organisations. AMFI encouraged him to drive the implementation of new structures, systems, and practices in order to economically rationalise the firm. Thus, in the following

⁷ To give an example, until 1997 SANITA had not drawn up a business plan or even formulated a business strategy.

Table B-1: SANITA's development stages

Development stages of SANITA's management accounting			
	Firm development	Management accounting development	Role of the management accountant
1993 – 1997	<ul style="list-style-type: none"> ▪ Focus on the German sales market ▪ Marketing is the most important business function ▪ Expansion of production ▪ Administrative functions such as IT, finance and management accounting are only of minor importance 	<ul style="list-style-type: none"> ▪ Focus on financial reporting and cost accounting ▪ Entrance of a new CFO ▪ Standardization of the monthly and annual settlement ▪ Introduction of group accounts ▪ Creation of new reporting system ▪ First business plan and budget ▪ Introduction of management accounting functions (e.g., investment controlling) 	Management accountants as “ <i>data suppliers</i> ”
1998 – 2002	<ul style="list-style-type: none"> ▪ Shrinking German sales market ▪ Restructuring of the sales function ▪ Increasing internationalisation ▪ Business plan target 1bn Deutschmark ▪ Change of the firm's legal status ▪ Introduction of an ERP system as new standard software 	<ul style="list-style-type: none"> ▪ New ERP system serves as a basis for a new integrated standard reporting ▪ Based on the new system, management accountants are able to create a better information base for decision-making ▪ Focus on developing the reporting system Management accountants as programmers of ERP system queries. ▪ Development of a sales management accounting function 	Management accountants as “ <i>reporters</i> ”
2003 – 2005	<ul style="list-style-type: none"> ▪ Further internationalization of the sales structures and expansion of the international production network ▪ Introduction of a matrix organization ▪ Take-over by AMFI 	<ul style="list-style-type: none"> ▪ Reorientation of the management accounting function towards the new organization structure (development of new management accounting functions such as marketing, production, or logistics management accounting) ▪ Introduction of an integrated business planning and budgeting ▪ Development of a group management accounting and local management accounting departments ▪ Consolidation of finance and management accounting 	Management accountants as “ <i>navigators</i> ”
2006 – 2010	<ul style="list-style-type: none"> ▪ Opening up of emerging markets ▪ Introduction of a channel management and optimization of sales control ▪ Increasing organizational and processual efficiency ▪ Decentralization and creation of “regions” 	<ul style="list-style-type: none"> ▪ Division of the central management accounting department to support internationality ▪ Stronger focus on decentral management accounting ▪ Further development of reporting and planning processes based on business intelligence portals ▪ Management accountants drive process optimization, support firm growth, and enable the firm to successfully master the crisis (contingency planning). 	Management accountants as “ <i>business partners</i> ” and “ <i>innovators</i> ”

years, SANITA passed through a change process and implemented new management accounting and control systems in the form of business planning and budgeting as well as an integrated Enterprise

Resource Planning (ERP) system, with the aim of controlling the innovative and product-oriented forces within the firm.

Table B-1 is taken from an internal document. As an overview of SANITA's overall change process, the table summarises and outlines the development of the firm and its management accounting functions. From the beginning of his tenure within SANITA, P3 relied on the support of an internally accepted (i.e., legitimated) team of management accountants. In light of this, he strived to accomplish a rather personal mission aimed at changing the role of the management accountants.

I realised that I could actuate that controllers acquire a new understanding of their roles ... and it really animated me and I said to myself: "Man, it can't be true that controllers are per se bean counters or number crunchers ... this is a strong prejudice against these people ... you have to change it" ... and then we started to go into this business partner direction. Of course, this is missionary work, because you can see a lot of controllers where you just think: "My gosh, it's not surprising that the so-called creative people jump out of the window." Also, as a controller, you have to be creative and innovative because only then you are accepted and recognised. (P3, 11)

Table B-1 also reflects the changes in the internal role of the management accountants within SANITA, which is the focus of the present chapter of this dissertation.

B.4.2 Data collection

In order to understand the institutionalisation of this new professional role and the corresponding process of reconstructing management accountants' professional role identity within SANITA, together with another researcher, I conducted 46 interviews with 43 interview partners between August 2009 and April 2010. Of these, 28 interviews were face-to-face and 18 were telephone interviews, with top as well as operative managers and management accountants from SANITA's headquarters in Germany and from its subsidiaries in Austria, China, France, Italy, the Netherlands, the USA, Spain, and Poland (for more details, see Appendix).

Altogether, 43 interviews were tape-recorded. In the three interviews that – at the requests of the interviewees – were not recorded, detailed notes were taken during the interviews. By using a contact summary form (Miles and Huberman, 1994), more detailed notes were taken immediately after. The open-ended interview questions aimed at retrospectively exploring the development of the management

accountants within SANITA. I first asked my interviewees to describe their own personal backgrounds and job histories as well as their current areas of responsibility within SANITA. Non-accountants were further asked about their points of contact and their experience with management accounting and management accountants. Moreover, interviewees were asked whether and if so how, from their perspectives, the management accounting function⁸ within SANITA had developed over time, how they perceived this development, and what they considered the factors behind it. Furthermore, I used internal documents and official publications to corroborate my findings. After an initial analysis of the interview material in December 2009, I staged a workshop with managers and management accountants from SANITA as well as other researchers from my university. This workshop offered the opportunity to discuss preliminary findings and to corroborate some of my preliminary assertions.

B.4.3 Data analysis

I coded the empirical data using QSR NVivo 8, which gave me a detailed (line-by-line or even word-by-word) coding according to categories determined by the researcher (Lambert and Pezet, 2011). The categories used for the data analysis emerged from the research question, theory, previous research, empirical data, and the interplay among these elements (Anderson-Gough et al., 2005; Jørgensen and Messner, 2010). During the data analysis, I moved back and forth among the empirical data, theory, and previous research to make sense of the empirical material and to understand what had occurred within the firm (Ahrens and Chapman, 2006; Jørgensen and Messner, 2010; Lambert and Pezet, 2011).

⁸ In Germany, management accounting is referred to as 'controlling' and management accountants as 'controllers' (see also Ahrens and Chapman, 2000; Tillmann and Goddard, 2008).

B.5 Institutionalisation of a new role of management accountants

B.5.1 Management accountants' role before the appearance of a change agent in 1994

It has been argued in the literature that change agents can disturb existing and taken-for-granted structures and introduce new ideas (Beckert, 1999; Dorado, 2005; Sharma et al., 2010). In the case of SANITA, I investigated how a new CFO, as the change agent in question, introduced a new professional role for management accountants within the firm. Based on my interviewees' narratives, this section describes the role of the management accountants within SANITA before the new CFO joined the firm in 1994 and initiated change in the firm's management accounting function.

Until the mid-1990s, SANITA's management accountants played a rather subordinate role in the management of the firm, and they were mainly responsible for data and information supply. Until 1999, SANITA had no integrated ERP system but rather a multitude of different information systems that gave rise to high complexity and data-related inconsistencies. To handle this IT landscape, management accountants were considered responsible for the technical maintenance of the firm's information systems. At that time, SANITA used an AS/400-based system, which required specific programming knowledge. Therefore, management accountants were responsible not only for information supply but also for the technical administration of the information systems and thus had to master the relevant programming languages to program the reporting software. At that time, SANITA's management accountants were actually IT specialists that had no specific management accounting training. Interviewees mentioned that, at that time, the demands on management accountants' skills and activities were mainly technical and, because they were responsible for preparing reports, their work was considered to be solely past-oriented. Most interviewees described the former role of management accountants as 'programmers' or, because of their 'mere' data supply function, 'war correspondents'.

An issue that, retrospectively, led to this negatively connoted role for management accountants was that the management accounting department lacked acceptance within the firm. As the firm's 'reporting machine', the department projected past-oriented information and carried out repetitive and routinised tasks. Furthermore, it was centralised, and management accountants had little contact with their colleagues

from other areas such as sales, marketing, or R&D. Thus, management accountants were not considered to participate in the firm's network-like and flexible work structures. A further important factor limiting the role of management accountants at that time was SANITA's CEO. As a member of the founder family and because of his personal engineering background, he was (and still is) bound to innovation and driven by product design. Management accounting, however, was considered to be a 'killer' for innovation. Thus, under his leadership, R&D and sales were at the forefront of SANITA's business, whereas management accounting was considered a poor relation. From the other departments' perspectives, management accountants were not able to add value to the firm, which meant they were viewed negatively and as acting against the culture of the firm.

In the past, our controlling department was a reporting machine and thus, prior to the implementation of the ERP system, a controller was also a half programmer. We had a specific programming system that worked on an old IBM platform. And as a controller, you had to compile the metrics and at the same time you also had to program the respective software to give out the metrics. But you never came up to work in the processes or to consult people regarding the processes or to act as a sparring partner of the managers or so. This was not the case ... and we were also not organised in a decentralised way, like we are today. In those days (...) we only worked on the reports. And we programmed reports and then we forwarded the reports. That's it. (P20, 11)

In this context, it can be argued that the power of the 'overarching system' (Hardy, 1996), namely the firm and its culture, shaped the role of the management accountants within the firm. A drive for innovation and creative products was deeply entrenched in the firm's values, traditions, and culture and this was supported by flexible and network-like organisational structures. This was thus the background against which actions and decisions took place, and all members of the firm, except the management accountants, were part of this organisational web (Hardy, 1996). From my interviewees' perspectives, the nature of management accountants' work seemed not to fit into the system and thereby they had no legitimacy within the firm. Consequently, management accounting lacked acceptance and awareness within SANITA; at least, before the new CFO joined the firm in 1994.

It has to be said that [the old CEO] hates controlling [management accounting] ... brutal ... and he always expressed this insistently. And he had also expressed it when I started working here. (...) We [the controlling department] are sitting on the fourth floor and the people said that during his whole tenure [the old CEO] never entered the fourth floor ... he said that this is the nitpickers' place. (P3, 11)

As the management accounting department was centralised and delimited to the 'fourth floor', management accountants were regarded as working beyond or even contrary to the original idea of the innovation-driven, flexible, and non-hierarchical firm. However, it was not solely the work of the management accountants or the technical systems that limited their role within the firm. My interviewees commented that how management accountants interpreted their role led to a corresponding lack of internal legitimacy within the firm. Furthermore, SANITA's management accountants lacked a role model that could have encouraged them to perform a more business-oriented role.

Because SANITA's former CFO was unfamiliar with the culture of an innovative firm, interviewees stated that he was not considered able or even willing to change the role of management accountants. Most members of the firm were locals that had a particular cultural mentality⁹, and during their careers most only worked for SANITA. Thus, they passed through the same socialisation processes and they were infused with the same values and management approaches. The CFO of that time, however, had been socialised in US multicorporate enterprises and he was thus used to working in more formal and hierarchical structures that had clearly defined areas of responsibility. Therefore, he was not familiar with the underlying values and culture of an innovation-driven medium-sized family firm. Moreover, interviewees commented that he did not proactively shape the professional role of management accountants within the firm. Similar to the 'bean counter' stereotype presented in the existing management accounting literature (Friedman and Lyne, 2001; Järvinen, 2009), the interpretation of SANITA's former CFO of the professional role of a management accountant was that s/he was responsible for developing and presenting accurate financial numbers. Consequently, the role that SANITA's management accountants enacted until P3 joined the firm (as new CFO) was that of 'data suppliers' who were responsible for financial reporting and cost accounting (see also Table B-1).

As a delimited sub-group within the firm, management accountants were deeply embedded in the prevailing structures and they had to cope with prejudices, which, in turn, shaped their own interpretations of their professional role. As management accountants had no opportunity to become acquainted with an

⁹ "I don't know if it's down to the region ... we are notorious for being fusspots and also for not accepting that things are as they are. So if one is unsatisfied with something, then one just reflects about how to make it better." (P23, I1)

alternative notion of their professional role, they interpreted it from a solely technical and reporting perspective¹⁰:

I have been working for [SANITA] for 17 years. At the beginning, we had three people [in the management accounting department] and I was the second one who joined the firm. At that time, we did not have an ERP system and generally ... it was a mere reporting function ... we had an old IBM AS system and we wrote the code for the software which displayed the sales analysis etc. So generally, the most important job for us was to compile sales analyses ... and then we forwarded the reports and that's it. ... Those were the days. (P18, II)

B.5.2 Legitimacy and identity changes

This section describes how the new professional role of the management accountants, introduced by P3, was legitimised within SANITA as well as how legitimacy granted by normative actors shaped their professional role identity.

P3 joined the firm in 1994 as its new CFO. With the objective to drive management accounting change in order to counterbalance the innovation orientation within the firm, P3 tapped into his personal and professional background in several aspects. He had previously worked for different firms in various industries such as engineering or auditing, which helped him understand different contexts. Additionally, he had a vested interest in technology and engineering and, based on his personal background, was keen to analyse the firm's issues from different perspectives. Thus, when it came to technical discussions on topics such as investing into new equipment, contrary to his predecessor, P3 was considered able to argue from both a financial and a technical perspective, which, in turn, enabled him to gain acceptance as CFO.

[P3] is, so to speak, more broadly positioned than CFOs normally are. Of course, his experience but also his interest, and intelligence in terms of dealing with people and social aspects, always play an important role for him in managing the firm, and his flexibility really has helped the firm to develop over the past 10 or 15 years. (P1, II)

As a former management accountant in an American firm, P3's own understanding of the role of a management accountant was that of a financial manager rather than a bookkeeper or data supplier. In an interview, P3 narrated that, based on his experience, he was convinced that management accountants could facilitate SANITA's business and contribute to the firm's overall success. Thus, he expected the firm's management accountants not only to act as mere data suppliers but also to understand and analyse

¹⁰ In this context, the idea of a so-called 'rhetorical distance' to describe the relationship between (German) management accountants and operational managers was mentioned by Ahrens (1997).

the firm from a technical, product, and customer perspective. From his point of view, as well as being a financial expert, a management accountant should be an all-rounder with a broad perspective on the firm, such as a general manager. Thus, from his perspective, management accountants should coordinate operative processes and strategy-building processes within the firm, and not only advise but also challenge managers to support decision-making. Thus, from the beginning of his tenure in 1994, P3 strived to change the professional role of management accountants from data suppliers to partners of the managers.

The interviews showed that, within SANITA, normative actors supported the institutionalisation of a new professional role of the management accountants within the firm. In this context, a powerful normative actor in the process of changing the professional role of SANITA's management accountants was the so-called '*Controller Akademie*' (CA). The CA is a German professional education institution for management accountants that was founded in 1971 by Albrecht Deyhle. Since the 1960s, Deyhle has proclaimed that the professional role of a management accountant is to support managers in decision-making and managing the firm. In addition to being the founder of the CA, Deyhle is the editor of the first-ever German professional journal for management accountants and is also the co-founder of a German professional association for management accountants. Moreover, in the German management accounting community he is considered one of the founders of the German version of a business-oriented management accounting approach. Today, he retains an outstanding position in the German management accounting community, especially by those management accountants educated at the CA.

During the late 1970s, P3 was educated at the CA. P3 was convinced that professional education would support professional role change and would increase management accountants' business and management orientation and he started to send his management accountants to the CA in 1995. The first group of management accountants sent to the CA in train recounted that they felt inspired and motivated to accept the intended role change. An interviewee, a former management accountant who is currently responsible for business processes and IT and who in 1995 had already worked for SANITA for five years, commented:

When I worked as a controller I visited courses held by Albrecht Deyhle at the [CA] where you definitely pick up on that specific philosophy... and I've really internalised it. I really liked the

philosophy, even though it is exhausting. Meaning that, if you take your tasks seriously, to be a controller is not really a comfortable job. Neither in the case of [SANITA] nor in another firm. And at that time, I've internalised Albrecht Deyhle's philosophy and retrospectively, I can say that this is something that still affects me today ... namely to say that I have to take over responsibility. I can't hide myself within my office and say 'this is where my area of responsibility begins, and this is where it ends'. As a controller, I think, you absolutely can't do that. Not as a controller. Besides the manager, who is de facto responsible for [her/his] specific area, ... the controller is a person that has to shoulder entrepreneurial responsibility. However, if a controller takes [her/his] tasks seriously, [s/he] has to act like a manager. Thus, [s/he] has to fulfil [her/his] responsibilities and to make a good score. [...] If you visited [Deyhle's] lectures, you really became infected by his ideas. He was a really good show master. The way he acted in class, the way he did his 'pantomime' ... that was really fascinating and when I came back from the [CA] I just said: 'Man, it is amazing what a controller can actually do!' And [P3] said 'Hold it boy! In practice some things look a bit different.' And he also gave me an additional boost saying 'Well, go out to the different departments and groups and do what you have learned!' And as I was only used to acting passively, I had an enthusiasm for the new tasks that led me to say 'just do it'. (P17, 11)

Another former management accountant, now head of the business processes function, who visited the CA at the end of the 1990s, commented:

It was very helpful to visit the [CA] ... I'm bound to say that it was an experience to see Deyhle ... and to learn about his world of thought ... and if you live up to this image, only then you'll be recognised ... If a controller is a real asset for the firm, then [s/he] will be recognised by the management but if [s/he] is just annoying then ... yeah, then [s/he] is just annoying. So you have to work hard for the reputation. I can still remember the time before [P3] joined the firm: controllers were located in a certain 'fire area' ... they were there, but no one really knew for what reason If you have to cope with such an image, it is not that nice ... and later I attended a seminar ... we deliberately looked for a seminar which was held by Deyhle ... it was great to see him drawing these 'beautiful pictures' [flip charts], which at the end of every seminar he gave away to the participants. ... For years, I had one of his 'pictures' of a ROI tree on my office wall. ... And he really conveys the message that the very task of the controller is to make a value-added contribution ... and ... as a controller you have to be sympathetic ... and in order to achieve a value contribution you should not be a spitfire. You have to be a partner and you should not say: "You didn't attain your target!" but rather "we didn't attain our target, so what can we do to attain it" ... and you should also take the right measures ... The seminars were organised in a way that they allow for network-building. Later, I even became a member of the [Controller Association] and attended regional workgroups ... and those networks were you can call someone from firm XYZ and ask "how did you solve this or that problem". So, long before Facebook, there were already other social networks ... though with real beer ... so to speak ... but all that was helpful to live up to what we learned at the [CA] and also to shape others. (P12, 11)

It can be interpreted that the CA equipped P3 and his management accountants with a positively connoted and externally legitimated 'state-of-the-art' professional role and supported the problematisation of the role that SANITA's management accountants enacted before P3 instituted the change process. In this context, normative actors provided particular templates for the appropriate and desirable behaviour of a modern and 'good' management accountant, replacing the old templates that had evolved within the firm and that, over time, had been internalised by the management accountants. In this sense, the professional trainers at the CA influenced the meanings that the management accountants attached to their professional role. Interviewees narrated that after visiting the CA and being infused with its view of the role of a

management accountant, they consciously started to turn away from considering themselves data suppliers and started acting as a business- and management-oriented management accountant. The CA supported P3's change efforts in terms of providing him and his management accountants with a particular understanding of their professional role as well as with external legitimacy to become more influential within the firm. In order to further support the institutionalisation of the new professional role and to foster the creation of a shared meaning system, SANITA's young professionals (i.e., future managers) also attended courses at the CA. In 1995 the first in-house seminar was staged, which explained to future managers about the 'good' liaison between managers and management accountants.

In 1995/1996, we also had an internal promotion program for our young professionals. And in the context of this program we invited external lecturers. And one of the lecturers ... a colleague of Albrecht Deyhle at the [CA] ... presented some psychological aspects of management and controlling [management accounting]. And all participants – about 50 young professionals – rated him highly. He talked a lot about Albrecht Deyhle's role understanding of the controllers but more from the management perspective but he also talked a lot about planning, controlling, monitoring, etc. And he used a lot of everyday life examples such as 'how can I induce an obstinate donkey to do something'. And the people were absolutely enthusiastic and they consented to everything he said. (P17, II)

This strategy of instilling future managers with a particular understanding can further be interpreted as an attempt to prevent conflicts between management accountants and managers. The following quote is taken from an interview with a production manager who visited the CA in 2003. In an interview, s/he talked about what s/he learned at the CA, especially how the CA helped her/him understand the tools and specific jargon used by management accountants.

It was very interesting to look behind the curtain. Many people associate controllers only with figures and performance indicators. But the performance indicators are just one facet. But the controller is not only working with performance indicators ... there is also a strategy and the planning ... the controller has a great portfolio of different tools to bring the site forward and most people are not aware of this. Thus, from a production perspective, for example, most production managers cannot call a controller because they do not know what tools [s/he] has in [her/his] toolbox ... but I know about these things and so I can call or challenge a controller ... and at the [CA] you learn a lot about those tools even though I cannot use all of them in my day-to-day business but I have lots of them in my backpack and if a nice term is put on the table, then I have the right armamentarium at my disposal to look behind it. (P14, II)

It can be argued that normative actors (i.e., the CA) were employed by P3 to provide legitimacy for the new role and in this way to change the meanings that management accountants had attached to their professional role. By using particular templates provided by normative actors, management accountants began to internalise this understanding of their new professional role and turn away from their

data supplier role. Interestingly, some interviewees (management accountants) commented that this movement agreed with SANITA's innovative culture and it was thus welcomed by non-accountants.

... we cannot, on one hand, use old controlling [management accounting] tools and, on the other hand, be required to be innovative. That would not be OK... also from an external perspective. (P20, II)

He [P3] has all the contacts to the [Controller Association] and he is also a man of vast knowledge who always gives new impetus to us. Every Monday we find copies of articles on our desks, which he considers relevant for us. And the most relevant passages are even already marked. That gives us new ideas. (P21, II)

We are often on the way to seminars and conferences to get new ideas and network. As we regularly visit the [CA], we get new ideas from the inside but also from the outside ... we learn about the state-of-the-art in controlling and we try to implement new ideas in our daily business. (P24, II)

Some interviewees commented that interactions with the CA and with the German professional association is still considered essential for the socialisation of SANITA's management accountants within the wider professional community and for the framing of their professional role. Young management accountants with no previous professional experience were in particular encouraged to attend courses at the CA and to attend seminars and professional management accounting conferences. Moreover, in order to entrench a state-of-the-art role understanding within SANITA, P3 introduced guiding principles for management accountants based on those announced by a German professional association. These written guiding principles helped objectify and further legitimise the understanding of the new role and the respective expectations. Moreover, they helped support a firm-wide diffusion of the new professional role and supported management accountants' reframing.

[...] what is a controller? ... what do we actually expect from [her/him]? We have a list of guiding principles ... and we've framed it ... At one of our international controller meetings, we distributed the mission statement to all our controllers. And later, there were controllers from foreign subsidiaries who came to me and said 'now I know what you expect from me ... and I really want to do it!' I think that to have these guiding principles for controllers and to carry them to all of our foreign subsidiaries was a very important milestone. (P23, II)

B.5.3 Power mobilisation and role change

Even though legitimacy can be considered to be an important factor within the institutionalisation of a new professional role, as outlined in the third section it is just one side of the coin. Additionally, the case of SANITA shows that a mobilisation of power by the change agent is also required to change a

professional role within a firm. This section shows how P3, as the change agent, mobilised power in order to drive the institutionalisation of management accountants' new professional role.

As a further strategy to drive change within SANITA, P3 reorganized the management accounting function to increase accountants' involvement in the business and decision-making processes. In this context, he convinced his top management colleagues to extend his own finance and accounting responsibilities to the IT and HR function, which, in turn, increased his influence within the firm.

For me it was clear ... if you, as a controller, do not have functional responsibility then you are just ... well not worthless but you are neutral. So I asked myself: "What do I need?" Finance was clear ... I knew that if I were responsible for the finance function, everyone would have to ask me for money. Secondly ... and that was something I learned during my apprenticeship, was that IT is a powerful vehicle ... So I said that I want to head the IT function. Thirdly, I wanted to head the HR function because I knew that based on that I would hold all the contact points. It was like strategic chess. But if you want to drive something within the firm then you need to have functional responsibilities. (P3, 11)

As a result, P3 was in control of the firm's financial resources and information and he also had access to its human capital, thereby gaining political access. Following Hardy (1996), P3's expanding of his area of responsibility can be interpreted as power mobilisation. As P3 became a gatekeeper of the firm's important resources, he knew that members of other departments had to interact with the management accounting department, which, in turn, strengthened its position and influence within the firm. Moreover, as P3 became responsible for human resources he could also influence the recruitment process and thereby increase the quality of the people within the management accounting department. In this context, one interviewee, a sales director, commented on the status quo within the firm:

SANITA is not a firm of intellectuals ... people frown at you if you say that you hold an academic degree (I have a doctorate) in the sense of 'what a swank' and we have a lot of people here who are very hands on and who do not have a good theoretical education and who just grew up with [the CEO] and who hold a position within our firm that they wouldn't hold in another firm of a comparable size if they were outside applicants ... just because they have weaknesses in their CVs. In [the controlling department], however, we have only top students, in parts MBA candidates or MBA graduates ... they are our eggheads (P9, 11)

Becoming responsible for the firm's IT, P3 was convinced that a modern information system was 'a powerful vehicle' for the management of a firm. Thus, in 2002, P3 initiated the introduction of a new ERP system and management accountants were charged with the implementation of the system. Nevertheless, even though management accountants had the technical knowledge required to implement the new ERP system, they still needed to gain deeper insights into the firm's business processes in order to

adapt and to map the processes in the new system. Thus, management accountants were expected to cooperate with managers and colleagues from other functions. By doing so, they could gain insights into the business processes of the firm and support other functional areas with the implementation of the new ERP system. Thus, they were able to create so-called 'small wins' for other actors and thereby gained internal acceptance and legitimacy (Reay et al., 2006).

All of our controllers accompanied ERP projects. By doing so, they became indispensable. ... For example, we had trouble with a foreign subsidiary because we sent out a German controller there ... I don't want to go too much into detail but from the moment on when [s/he] became responsible for the ERP project, [s/he] achieved a new standing within the subsidiary and all hostilities were gone and today, [s/he] is really accepted. (P3, 11)

The new ERP system was also considered to provide information without requiring the explicit effort of management accountants, which, in turn, unburdened them from their routine and programming tasks and consequently increased their flexibility.

I don't need a single report from the controlling department because all the figures I need I can get from the systems in place. And I can do it by myself. There is not one figure that I need that I cannot get from the systems. In 99 of 100 cases, I do not even need a controller because we were trained to use the systems and we were also trained to know what the figures mean. (P9, 11)

Being the gatekeepers of the firm's information base also strengthened the position of management accountants as producers of 'truthful knowledge' (see Lambert and Pezet, 2011).

A few years ago, everything was based on Excel and we [the controllers] had a much lower acceptance. But nowadays, everyone is able to work with the internet or intranet. You just know what you have to click on. But if you upload a report in Excel and if you, for example, use specific filters or the screen cannot show the entire table or whatever ... then people say: 'Hold it! There is something wrong ... it looks completely different than the last time' or whatever. And then you have a lower acceptance. Then someone may type something in by mistake, prints it out and later, two people sit next to each other, comparing the sheets and wondering 'Hmm... you have different figures than I have ... What's going on here? There is something wrong here. Once again, the controllers! Thus, we try to have just one truth and we also try to make the systems easy to handle and to make the systems non-manipulable. (P40, 11)

Based on the quote above, it can be argued that management accountants tried to keep non-accountants away from the information system in order to prevent manipulation. But it could also be interpreted as the avoidance of non-accountants influencing the information systems. Previous studies in management accounting have shown that information systems do not just reflect the reality existing outside of the systems, but rather construct a particular image of reality (Burchell et al., 1980; Morgan, 1988). This constructive aspect is also mentioned in the quote above, where the interviewee commented on the creation of the 'one truth' that shows that management accountants are aware of the fact that there may be

multiple versions of the truth depending on who created it. Thus, although the implementation of the ERP system can be interpreted as supporting management accountants' legitimacy within the firm because they managed the implementation process and supported managers, it can also be described as a form of power mobilisation that fostered a new and more influential role for management accountants. Management accountants were responsible for the ERP system and as a result they became the gatekeepers of the database and thus a key resource, which strengthened their positions within the firm.

In addition to the introduction of the new ERP system, in 2003 P3 reorganised the management accountants' organizational positioning in order to support the increase of management accountants' business knowledge and to offer 'better' support to decentralised and operative managers.

From my perspective, it can't be happening that controllers sit in the headquarters. They have to be there, where the actual business is! That's why have decided to decentralise our controllers. Therefore, we've settled the controllers close to the operational managers in the plants or the sales departments. By doing so, they picked up on the things that take place in these specific areas. (P3, I1)

In this sense, from P3's perspective, managers at all levels realised that management accountants are more than information providers, and they can act as business but also as sparring partners and counterparts of the managers. P3 therefore delegated some management accountants to the subsidiaries or located them close to the operative managers. In an interview, P3 narrated:

We improved our controlling [management accounting] philosophy and increased controllers' acceptance when we located them close to the management. (P3, I1)

By decentralising the management accounting department, the business orientation of the management accountants should increase. However, they should still have a close proximity to the headquarters, especially to P3 as the CFO. Thus, in the first instance, management accountants were relocated within the headquarters and thereby infused with P3's understanding of a professional role, before being sent back to the subsidiary.

P3 was convinced that local management accountants should be 'kings of their own land', as he put it in an interview, meaning that they should have functional responsibilities. Otherwise, from P3's perspective, management accountants would not be able to prevail within the firm. Thus, decentralised management accountants, directly reporting to P3, became responsible not only for finance and accounting

but also for IT and human resources; just like P3 from the headquarters' perspective. In this sense, within the subsidiaries, management accountants were expected to perform in a more management-oriented way. On one hand, they were still management accountants but, on the other hand, they also acted as decentralised CFOs and were involved in the management of the subsidiaries.

The following quotes from a management accountant and his or her general manager reflect how the relationship between managers and management accountants is now perceived within subsidiaries. The quotes show evidence of the renewed acceptance and legitimacy of the firm's management accountants. However, they also indicate a shift in the power structures.

... at SANITA, a manager and a controller work together as a team and thus have a close working relationship. Even though I report to [P26], in the end, considering most of the decisions, we work together. (P35, 11)

I interact most closely with [P35] who is our controller. I meet with [P35], I would say, at least once a day, if not more on various issues. We have a monthly jour fixe where we talk about whatever may be going on. In addition, we meet once a month to go over the P&L, management statements, balance sheet and everything with regards to that. We have a very close working relationship. You know, I do not make any financial decisions without discussing them with [P35]. (P26, 11)

Other interviewees also commented on the cooperation between managers and management accountants in SANITA's subsidiaries:

... the contribution of the controlling department to our daily business is really very well appreciated. All the companies have these two heads, normally. And this is interesting, because normally, the general managers in every firm usually or sometimes are alone. With whom can you discuss things? The controlling department is really a very good and necessary help for the business on this part ... The main change I could see in these years is that the controlling department has been in evolution... It has been going in the direction from the bookkeeping to the market ... The controllers became assistants ...very, very close to the management. They help the management to take decisions, with data, with a good database, because the market is changing continuously. (P32, 11)

I think it the controlling department is appreciated, because before I was here, a lot of those responsibilities were just for [the manager]. [S/he] had to do everything, and now, [s/he] has someone to give it to. So, [s/he] only has to do the managing part. So, I think [s/he] appreciates that. (P41, 11)

I mean, if I see a problem somewhere, I stand up and I say: We can fix that. Or, maybe we cannot fix it, but what can we do to change it? And this is the interesting part of the job. I mean, accounting is not interesting at all; I mean, the rest is just tools, but the idea is how can you change the organisation, the process somehow, to make it better. And this is where you can add value. And this is what I try to teach my people. If you see a problem, it is not about complaining, it is about how I can fix that. (P38, 11)

Moreover, this expanding of P3's and management accountants' areas of responsibility can be interpreted as reflecting a change in the firm's underlying power structures. Prior to P3 joining the firm in

1994, the R&D and sales and marketing departments dominated the firm. Later, however, driven by P3, the management accounting department came to be considered more relevant for the firm's managers. This shift in the power structures supported by the institutionalisation of a new professional role can be depicted using the example of decentralised management accountants located in SANITA's subsidiaries. Retrospectively, the appointment of local management accountants at the beginning of the 2000s was a move towards increasing their business orientation. However, it can also be interpreted as a move towards bringing management accountants into manager-like positions in order to enrich their professional roles with managerial elements. By acting as local CFOs [*kaufmännische Leiter*], local management accountants were able to deploy financial resources and information and were involved in the subsidiary's recruiting and decision-making processes. Officially, this legitimising strategy aimed to unburden managers, to increase decision-quality, and to support the management of the subsidiaries as well as the entire firm. Nevertheless, it can also be interpreted as a strategy to increase the influence of management accountants on decision-making and the management of the subsidiaries and thereby decrease the actual influence of general managers, namely the decentralised CEOs that were mostly sales and marketing employees. This was also directed at strengthening the financial and economic perspective of the firm in order to counterbalance its innovation and product perspective.

Besides [her/his] controlling tasks ... [her/his] original controlling tasks ... so to speak ... a decentred controller performs roughly 40 percent of additional tasks. And from my perspective this is OK, because this enables [the decentred controller] to be accepted and perceived as a holistically thinking and process-oriented manager. And that is why I hold the philosophy to send out as many controllers as possible, because I do not need a crowd of controllers here in the headquarter coordinating the group accountants ... I need them outside ... acting! (P19, 11)

Owing to this increasing management orientation, management accountants began to consider themselves more as general managers than as management accountants. It can thus be argued that these changes in the power structures led to changes in the meanings that management accountants attached to their roles and changed their professional role identity. P3's activities in the context of the institutionalisation of the management accountants' new professional role can, therefore, be interpreted as a mobilisation of the power of meanings. The following quote is from a management accountant at the headquarters:

... I am not an expert in currency management or treasury ... I rather see myself as a general manager and from my perspective, this fits very well because I am responsible for the strategy and I also have operative responsibility and thus I can really take influence and can actuate things. (P19, II)

P3 also increased his own influence on subsidiaries by acting as a role model for local management accountants. Even management accountants from foreign subsidiaries were initially socialised in the head office and in some cases even trained at the CA. In this context, P3 again mobilised the power of meanings (Hardy, 1996). By presenting a more influential and professional role understanding of a management accountant and employing normative actors in order to legitimise the new professional role within the firm, P3 aimed at shaping and reframing the meanings of the management accountants so that they accepted this more business-oriented professional role and turned away from considering themselves to be data suppliers. Moreover, P3 also sent young professionals (i.e. future managers) to the CA to learn about the role of a management accountant and about how her or his work can support managers. This can also be interpreted as a mobilisation of the power of meanings, which aimed at institutionalising the new professional role. By being infused with the same ideas, both management accountants and non-accountants understood the new professional role of management accountants and the external templates for behaviour, which also supported the legitimacy of the role. Therefore, conflict between managers and management accountants could be anticipated and prevented. Providing legitimacy for the new professional role can thus be interpreted as a strategy for mobilising the power of meanings (Hardy, 1996). However, in addition to these implicit forms of power mobilisation, I also observed more explicit or visible forms of mobilising the power of meanings by P3. In this context, the following interview excerpt, which is from one of the decentralised management accountants, explains P3's expectations of her or him. The quotes depict how P3 directly mobilised power in order to influence the self-definition of management accountants.

Last year, we appointed a new VP of sales and in his first year at SANITA, he had a low travel activity. And then we had an internal group audit by AMFI and they always take a look at the travel reports. So the auditor checked the travel reports of [the general manager of the subsidiary], my travel report, and the travel report of the VP of sales and noticed that the latter did not travel that much and complained that [s/he] did not spend enough time with our customers and so on and the auditor marked it down in [her/his] official auditing report. The auditing report was later sent to [P3. And I was in Germany at the time when the auditing report arrived in P3's] mailbox. And I was summoned before him and I really got an earful ... he said that I am not a good controller because I am not able to keep down my people and that I have to

ensure that the people go out into the field and they visit our customers and so on. Basically, I think... this cannot be my concern ... but however you take this to heart because you know that it is required from you and you have to get involved in those things. (P35, 11)

Doesn't it bother you? I mean you can also say: "I am just a controller, [s/he] must know it [her/himself] where [s/he] wants to travel?" (Interviewer)

Hmm. No, but ... in the end it is the way it is at SANITA. As a controller you are considered a half general manager. You have to see the big picture and you have to know what is going on in the different areas and if something goes wrong you know that you have to intervene and become prevalent and that's OK and often it has certain validity. Of course, I think sometimes it is a bit exaggerated ... but however it shapes me and I try to not lose sight of the fact that I cannot only be satisfied if the figures are OK but rather, I always have to look behind the figures: how did they come about and what influences the figures? And if the VP of sales has a low travel activity and rather makes [her/himself] comfortable in [her/his] home office then I might lose sales or even customers because they do not feel that we think that they are important for us because our VP of sales doesn't visit them. At the end of the day, this also has a negative effect on our results. (P35, 11)

The quote above shows how P3 directs his management accountants in order to ensure they enact the professional role he expects and thus to influence their meanings and accordingly their professional role identity. Therefore, I argue that directing management accountants' self-definition can be interpreted as an explicit form of mobilisation of the power of meanings (Hardy, 1996), which further influences the professional role identity and supports the institutionalisation of a professional role.

B.5.4 Delegitimising the past as a form of power mobilisation

Legitimising a new professional role through normative actors can be considered to be one possible strategy to mobilise power in order to institute professional role change. Besides legitimising the new business-oriented role of management accountants, I further observed the continuous delegitimising of more reporting-oriented professional roles. The rhetorical delegitimising of the past came up in most of my interviews, especially when my interviewees talked about the development of management accountants' professional role. This new professional role was described positively, whereas the previous role was described negatively. When interviewees talked about professional role change, I observed an intensive ex post rationalisation of the change process, associated with a delegitimising of the previous role of management accountants. Most interviewees drew comparisons between the previous reporting-oriented role and the new management-oriented role, depicting the latter as more desirable and valuable to the firm and thus more legitimised. When they explained the change process, the former role was always

described using terms such as 'number cruncher', 'war reporter', 'bean counter', or the like, whereas the new role was described as 'business partner' or 'sparring partner', which further points to a perceived hierarchical alignment between managers and management accountants. Such terms are now also explicitly used when employees conduct presentations (e.g., at universities or conferences) or write articles about the firm's management accounting function, which can be interpreted as a further strategy to mobilise the power of meanings aimed at preserving the status quo.

Both Deyhle and [P3] mentioned that if you want to make it to the headquarters then you first have to show the decentralised units that you are worth your salt. So you should not merely act as a number cruncher. What the people least expect from a controller is that [s/he] plays a smart alec who sits on a mountain of figures. That is the type of controller that the decentralised units absolutely do not want because they require someone who solves problems. (P14, II)

A controller must be a partner of the manager, and this is also the direction in which we trained our people and it is the right direction ... not number crunchers but sparring partners. (P12, II)

For me, controlling [management accounting] has always been a kind of 'number crunching'. But we and above all [P3], however, managed to change the image of controlling. A controller who just draws on a specific figure ... is not the person a firm needs. A controller must be a partner of the management. But [s/he] also must have the ability to induce new projects and improvement processes. Otherwise, [s/he] is no more than a mere 'war correspondent'. (P8, II)

B.6 Discussion

In the present chapter, I used insights from institutional theory to answer the following research question: how do change agents drive changes in the professional role and professional role identity of management accountants within the organisation? To answer the research question in section B.3 I suggest a theoretical framework (see also Figure B-1), which is also used in this chapter to investigate empirically the institutionalisation of a new professional role within SANITA. Contrary to other studies that have observed a professional role change that has been initiated by embedded agents (Burns and Baldvinsdottir, 2005; Reay et al., 2006), this analysis deals with professional role change that is instituted by an incoming change agent. The study thus adds a new perspective to the literature on management accountants' role change at the micro-level and also shows how this can be influenced by external normative pressures. The single case study shows how legitimacy seeking for a new professional role, a delegitimising of the past, and a mobilisation of different forms of power can disrupt the underlying meaning systems and

consequently enable the institutionalisation of a new professional role associated with professional role identity reconstruction.

Owing to a financial crisis within the firm, in 1994 SANITA appointed a new CFO because institutional contradictions (Seo and Creed, 2002; Sharma et al., 2010) required change within the firm. At that time, because of the firm's focus on R&D, sales and marketing, and the corresponding negligence of management accounting, management accountants played a subordinate role. Thus, when P3 joined the firm, he found that management accountants were deeply embedded within that particular organisational and institutional context. Accordingly, management accountants were unfamiliar with alternative understandings of their professional role and thereby they could see no need for change. However, P3 introduced new institutional scripts to the firm. In this sense, he problematised and disrupted old ways of working and thinking and expected management accountants to adopt a more business- and management-oriented role.

The case study contributes to the existing management accounting literature because it shows empirical evidence for a mingling of cultural-cognitive and normative aspects in the context of management accountants' role change. From a cultural-cognitive perspective, the original role of SANITA's management accountants evolved within the firm as a typification associated with a specific stock of knowledge shared by a group of actors. These typifications, in turn, developed as repetitive patterns of action (Scott, 2008). In the case of SANITA, the specific stock of knowledge shared by management accountants was the firm's information system and thereby its reporting function. In light of this, a common framework of meaning underlying the professional role evolved, and this shaped the professional role identity of management accountants. P3 introduced a new normative conceptualisation of the professional role that had new prescriptions and expectations. He directed the management accountants and exerted normative pressure on them in order to induce change in those frameworks of meaning. The present study shows that an exertion of normative pressure on the cultural-cognitive elements of a professional role, for example in the form of introducing new scripts for action, can disrupt the existing frameworks of meaning, which, in turn, can reconstruct professional role identity. This

reconstruction, in turn, supports the institutionalisation of a new professional role as normative elements turn into cultural-cognitive elements over time and become taken for granted.

This study further shows empirically how legitimacy and power support the institutionalisation of a new professional role and consequently adds to the existing literature on management accountants' role change. It presents empirical evidence for the dialectic interrelatedness of legitimacy seeking and power mobilisation in the context of the institutionalisation of a new professional role. In the analysis, I explored the cooperation between an internal though incoming change agent and external normative actors, which can be interpreted as a strategy for gaining legitimacy for professional role change. It can be argued that normative actors strengthen the perception of the appropriateness of a new professional role and can thus confer external legitimacy to it. Likewise, legitimacy seeking can also be interpreted as a strategy for mobilising the power of meanings (Hardy, 1996). That is, if a change agent supported by external normative actors is able to present a new professional role as more appropriate and desirable compared with the existing one, then the status quo and the underling meanings of the latter can be problematised and professional role change can be enabled. In the case of SANITA, the externally legitimised professional role change instituted by P3 led to changes in the overall firm as management accountants became expected to act as partners to managers and over time gained greater influence on business and decision-making processes. Their areas of responsibility extended and, as a result, management accountants not only gained access to the firm's key resources, but also increasingly became participants within the firm's decision-making processes. In subsidiaries, management accountants even became members of the firm's management teams. Accordingly, the professional role identity of SANITA's management accountants gradually changed and they turned away from the former programming and reporting orientation towards a management orientation. In some cases, management accountants even turned away from accounting tasks altogether and began to consider themselves to be general managers. The previous reporting-oriented professional role of management accountants fell prey to a delegitimising of the past in support of the new apparently influential 'business partner' role.

In my interviews, the perceived inappropriateness of the past was especially visible in the form of an intensive ex post rationalisation of the change process. Moreover, I observed the use of negative descriptions of the old role and positive descriptions of the new one. Delegitimising the past can be interpreted as a form of mobilising the power of meanings, which aims to preserve the new status quo within the firm and, accordingly, preserve the corresponding changes in the power structures underlying the legitimacy of the new business-oriented role. In this context, the case study seems to contradict the results of Goodrick and Reay (2010), who argued that “legitimizing a professional role identity requires the incremental development of new arguments where the past is not delegitimized” (p. 55). Even though I agree that the development of new arguments was important for the institutionalisation of management accountants’ new professional role, the previous role was deliberately delegitimised by P3 and later also by the management accountants themselves. However, as Goodrick and Reay (2010) studied the professional role identity of nurses, these contradictory findings may stem from differences inherent in the various professional groups. Overall, it can though be argued that the present case study contributes to the existing management accounting literature by stressing the importance of delegitimising in the context of introducing a new role understanding within the organisation. Thus, further research might focus on strategies to delegitimise the past within the institutionalisation of a new professional role and reconstruction of professional role identity. From an institutional perspective, comparisons between different professional groups may further our knowledge on professional role change. Moreover, further research should investigate in more detail how legitimising and delegitimising relate to each other on a timeline. Is a delegitimising of an old role of a management accountant, for instance, a premise for the legitimising of a new role or do these two concept only appear together and at the same time?

Overall, the case study shows how normative pressure as well as legitimacy seeking and the mobilisation of the power of meanings, resources, and processes on the part of a change agent can enable the mobilisation of the power of the system (Hardy, 1996). In the case of SANITA, an innovation- and product-driven family firm with strong cultural beliefs, management accountants played a subordinate role compared with R&D, sales, and marketing until an economic crisis preceded the appointment of a new

CFO. As a change agent, the new CFO not only strived to gain legitimacy for a new professional role for management accountants but also mobilised different forms of power, which together were employed to mobilise the power of the system and induce change in the overall organisational system (Hardy, 1996). In the case of SANITA, mobilising the power of the system influenced the acceptance of management accountants within the firm as well as their integration within the organisational structure. For instance, management accountants increasingly used innovative tools and techniques and sought out best practices within the wider management accounting community. In this way, they were able to gain legitimacy within such an innovation-driven firm. Therefore, it can be argued that legitimacy seeking can induce power mobilisation, which, in turn, can support legitimacy for a new professional role. Moreover, as I have shown in the case of SANITA, power mobilisation may influence meaning systems underlying a professional role, which gives rise to professional role identity. Further research on professional role change from an institutional perspective might thus explicitly focus on power mobilisation as a strategy for gaining legitimacy for a new professional role for management accountants. The concept of power used in this chapter is a very broad and thus rather vague one. Especially the power of system appears as a 'residual' lacking of analytical exactness. In order to deepen our knowledge, future studies may therefore build on more profound theorizations of power mobilization.

The present case study provides empirical insights into change agent-driven professional role change of management accountants from an institutional perspective. In this context, the study shows how normative and cultural-cognitive elements work together to instigate professional role change. Furthermore, the study sheds light on the interplay between legitimacy seeking and power mobilisation in the context of changes in management accountants' professional role and professional role identity that are driven by an incoming change agents and by doing so adds to the existing literature.

However, because my analysis is a single case study, my findings may not be generalisable to other firms. It may therefore be interesting to study changes in management accountants' professional role and professional role identity in other contexts. Furthermore, I mainly used narratives to retrospectively investigate the change process. However, especially in the context of interpreting change processes,

narratives can cast a damning light on the past and interviewees can tend to overstate the presence. In light of this, retrospective case studies are especially vulnerable to ex post rationalisation. This might especially be the case when analysing changes from negative to more positively connotated roles. I tried to anticipate these issues during my interviews, but longitudinal studies may address this point more thoroughly. Moreover, I corroborated my findings by analysing internal documents and discussing with other experienced researchers. Nevertheless, ethnographic in-depth longitudinal studies accompanying professional role change may generate deeper insights into changes in professional role and professional role identity. Further studies may also explore how management accountants make sense of new normative role conceptualisations and how these affect their professional role identities. Moreover, ethnographic longitudinal in-depth case studies may also generate new insights into changes in the interaction and communication between management accountants and non-accountants and the influences on internal legitimacy. By doing so, researchers may, for example, reveal in more depth the small wins (Reay et al., 2006; Weick, 1984) that management accountants apparently achieve for other firm members within day-to-day practices and that, over time, create internal legitimacy for a new professional role. Future studies may also investigate in more depth the role of normative actors, such as professional communities and education institutions, in changes in the professional role and professional role identity of management accountants.

Drawing on institutional theory, the investigation presented in this chapter of the dissertation provides an empirical and theoretically founded micro-level analysis of changes in management accountants' professional role and professional role identity. Building on the findings presented in Chapter B, in the following chapter I adopt a practice theory perspective in order to analyse what management accountants within the case firm nowadays do, namely the practices in which they are engaged and the actions that actually mark them out as business- and management-oriented.

C How Management Accountants Influence the Firm

Abstract

In recent times, the role of the management accountant has seemed to have generated great interest in academic publications. However, despite many researchers referring to apparent changes in management accountants' roles and the shift towards increasing business and management orientation, little is still known about what it actually means for a management accountant to be oriented towards the business and involved in the management of the firm. This chapter of the dissertation thus aims to deepen our knowledge of the everyday lives of management accountants, who are considered to be an integral part of the management of the firm. By drawing on recent streams of practice theory (Schatzki, 2005; 2006), this chapter will show how management accountants within the case firm experience and understand the firm as it happens, namely its real time, and how they effectively influence the performances of operational activities within the firm. It will indicate that how management accountants influence the firm and how they mobilise strategic arguments depends not only on aspects of quantification (Ahrens, 1997), but also on aspects of what I call "qualification", which is associated with the performance of meta-practices aiming at structuring and organising operational activities. This chapter will further show that management accountants' influence on the structure of operational practices is, in turn, legitimised by their experiencing and understanding of the performances of those actions in real time.

C.1 Introduction

To date, a lot has been written about management accountants (see e.g., Ahrens, 1997; Ahrens and Chapman, 2000; Emsley, 2005; Lambert and Pezet, 2011). Most studies have tended to focus on their allegedly changing role from counting beans towards becoming business-oriented (Burns and Baldvinsdottir, 2005; Caglio, 2003; Granlund and Lukka, 1998b; Järvinen, 2009), meaning management accountants are now able “to provide more added value to the management (decision-making and control)” of the firm (Järvenpää, 2007, p. 100). In this sense, it has been argued that management accountants “have recently migrated toward a business partner role, meaning that they often assist management with the decision-making process” (Victoravich, 2010, p. 85). Some authors have even mentioned that management accountants are more and more turning towards becoming members of management teams (Armstrong, 1985; Ezzamel and Burns, 2005; Fligstein, 1990; Granlund and Lukka, 1998b). Even though the expression of *support* within the decision-making process presents a somehow attenuated picture compared with that of the management accountant as a real member of the management team, it is still unknown what a so-called business-oriented management accountant actually does in practice. Referring to the business partner role, Byrne and Pierce (2007) argued that the “adoption of a ‘business partner’ model for [management accountants] is found [...] to be ambiguous, conditional and uncertain” (p. 469). Consequently, looking beyond the mere rhetoric of the “heroic” management accountant (Järvenpää, 2007), the question arises of what business and management orientation means in practice and how one can theorise from it to build a substantiated knowledge about the involvement of management accountants in and their influence on the management of the firm. Even though various researchers have already called for an investigation into the daily practices of management accountants and their effects on other groups within the firm (Jönsson, 2009; Tomkins and Groves, 1983a), hitherto these calls have received little attention in the literature. Consequently, this chapter of the dissertation aims to contribute to the empirical research on management accountants’ business and management orientations.

To structure and analyse the empirical material gathered by means of an in-depth case study, in this chapter I use practice theory as a theoretical lens. Drawing on the work by Schatzki (2005; 2006), the point of departure of this chapter of the dissertation is the theorisation of the organisation as a bundle of practices and material arrangements that happens in real time. From this perspective, I study management accountants' involvement in and influence on the happening of the firm. I contribute to the literature by showing how management accountants experience and understand the firm and on that basis gain legitimacy to influence it. From a practice theory perspective, I argue that management accountants influence the organisation by structuring its constituent practices and their not instantaneous unfoldings of performances by engaging in specific meta-practices (Becker and Brauner, 2003; Messner et al., 2008b) such as business planning, budgeting, monitoring, policymaking, or even business and corporate development. I also show how management accountants actively engage in the actual performances of specific arrays of activities, namely practices from operations. In the context of the latter, I especially focus on sales practice to show how management accountants within the case firm not only influence the structures of operational practices but – based on internal legitimacy – also engage in their real time happenings.

The structure of this chapter is as follows. In the next section, I present a short review of the literature on the work on management accountants as well as the research question. Then, I outline the theoretical framework, introduce the case firm and research method, and present the case analysis. The chapter concludes with a discussion of the results, limitations, and ideas for further research.

C.2 Previous research on management accountants' business orientations

Over recent decades, a vast amount of papers dealing with management accountants have been published in practitioner and academic journals. Whereas practitioner-oriented publications tend to have a normative character (Siegel et al., 2003a; 2003b), research studies have investigated the changing role of the management accountant and possible antecedents (e.g., Baldvinsdottir et al., 2009; Burns and Baldvinsdottir, 2005; Caglio, 2003; Friedman and Lyne, 1997). My review of the relevant literature

revealed that the study of the management accountant has apparently maintained its relevance since the 1950s (Simon et al., 1954) or even earlier (Kester, 1928). However, given the vast amount of research published, what do we actually know about the management accountant's work at the micro-level?

Following a kind of "prevailing opinion" within the research community, it is considered that, over recent decades, management accountants have increasingly shifted from acting as "bean counters" (Bougen, 1994; Friedman and Lyne, 2001), who are merely concerned with routine work such as recording, data inputting, and reporting (Järvinen, 2009) towards so-called "business partners" (Byrne and Pierce, 2007; Järvenpää, 2007; Sorensen, 2009; Victoravich, 2010). In this context, it has been argued that management accountants are more oriented towards the business (Granlund and Lukka, 1998b), and thereby act as internal consultants (Mouritsen, 1996) or change agents (Burns and Baldvinsdottir, 2005). Furthermore, it has been argued that management accountants are more deeply involved in management (Sathe, 1983; Zoni and Merchant, 2007) and thus act as critical counterparts (Becker and Messner, 2005; Messner et al., 2008b) or even members of the management team (Armstrong, 1985; Ezzamel and Burns, 2005; Granlund and Lukka, 1998b).

Based on this apparent change story reported in the management accounting literature (see also Chapter B of this thesis), it can be argued that there are indications that management accountants' influence on the management of the firm has increased. In this sense, some recent studies have even reported situations in which management accountants have to "decide for themselves the extent to which they want to influence operational managers" (Lambert and Pezet, 2011, p. 25). Previous studies such as Lambert and Pezet (2011) or Burns and Baldvinsdottir (2005) have indicated the intentionality and agency of management accountants (Jones, 1992; Jönsson, 2009). However, given that management accountants are increasingly oriented towards the management of the firm, it is surprising that their daily work remains relatively under-researched. As mentioned above, most studies have focused on the changing role of the management accountant and thereby have tended to neglect exploring the actual practices that mark management accountants out as business-oriented and involved in the management of the firm. Broadly speaking, one may ask what management accountants do within the organisation, especially those who are

considered to be business-oriented or partners of the managers. To broaden our knowledge, I will address this research question in order to contribute to the literature on the work of business- and management-oriented management accountants.

Previous studies have called for more research on the work of the management accountant. Even some decades ago, Tomkins and Groves (1983a), for example, started a discussion in *Accounting, Organizations and Society* (see also Abdel-Khalik and Ajinkya, 1983; Tomkins and Groves, 1983b; Willmott, 1983) on investigating the everyday life of the accountant. They also called for more interpretive research on this topic with a greater focus on the “concerns of practitioners” and the “everyday effects of accounting and the practices of accountants themselves” (Tomkins and Groves, 1983a, p. 361). Strengthening the need for more qualitative work compared with survey studies (Sorensen, 2009; Yazdifar and Tsamenyi, 2005; Zoni and Merchant, 2007) – even though these provide valuable insights – it has been argued that a “survey cannot reflect the detail, or how accounting departments carve out a place for their activities in full situational complexity. To understand the politics of decision-making and the complexity of organizational continuity and change in specific situations requires detailed case studies” (Mouritsen, 1996, p. 284). In this sense, I would also argue that because of their restricted depth, cross-sectional field studies (Byrne and Pierce, 2007) also do not allow for in-depth insights into the practices of management accountants within the organisation. As a result, apart from a few studies providing valuable insights into changes in management accountants’ roles (Burns and Baldvinsdottir, 2005; Caglio, 2003; Järvenpää, 2007), little is known about the daily practices of management accountants at the micro-level. Moreover, little is known about the micro-level influence of management accountants on practices of other professional groups within the firm. This is especially interesting as it has been mentioned that management accounting is not just what management accountants do (Edwards, 1998; Jönsson, 2005). Thus, one cannot merely deduce what they do from management accounting per se because only a specific part of this overarching practice is considered to be assigned to management accountants. Besides some exceptions (Ahrens, 1997; Ezzamel and Burns, 2005; Lambert and Pezet, 2011; Vaivio, 1999), previous studies have not strictly differentiated between management accounting and

what management accountants do. Rather, they have tended to focus on conflicts between management accountants and other professional groups within the firm (Ezzamel and Burns, 2005; Vaivio, 1999). However, empirical studies on how or to what extent management accountants can support other professional groups within the firm (e.g., sales and marketing people) are rare and/or rather focus on the management accounting function per se. In this context, Ahrens and Chapman (2007) called for more research on actors carrying out management accounting practices. Since management accountants belong to an overarching group of people engaged in management accounting, by focusing on what management accountants do, I aim to contribute to the management accounting literature, especially the recent stream drawing on practice theory (Ahrens, 1997, 2009; Ahrens and Chapman, 2007; Schatzki, 2001; 2005). Overall, this chapter of the dissertation aims to answer the following research questions: *what does management accountants' involvement in the business and management of the firm look like at the micro-level and how can it be theoretically grounded and explored?*

The theoretical lens used in this study to analyse the empirical material and to build a framework for further research will be explained in the following section.

C.3 Theoretical background

C.3.1 Foundations of practice theory

In recent years, practice theory¹¹ has evolved into an important theoretical lens in management accounting (Ahrens and Chapman, 2007; Ahrens and Mollona, 2007; Baxter and Chua, 2008; Jørgensen and Messner, 2010; Lounsbury, 2008; Whittington, in press) and organisational (Feldman and Orlikowski, 2011; Geiger, 2009; Jarzabkowski and Paul Spee, 2009; Reckwitz, 2002; Whittington, 2006) research. Considered to be “a broad intellectual landscape” (Feldman and Orlikowski, 2011, p. 2), practice theory deals with social and organisational phenomena by studying them as organised human activities (Schatzki, 2005). Practice theorists have argued that when actors act towards each other, they relate in practices (e.g.,

¹¹ The term “theory”, from this perspective, departs from its traditional understandings and is simply understood as an abstract account of practices (Schatzki, 2001).

educational, political, management, or accounting practices), which constitute social systems (e.g., organisations or even wider societies). In a review article, Feldman and Orlikowski (2011) pointed out three major *principles* of practice theory, which can be found in the writings of different authors (e.g., Bourdieu, 1977; Giddens, 1984; Schatzki, 2005). First, there is the principle of consequentiality or productivity. This principle states that “every actions are consequential in producing the structural contours of social life” (Feldman and Orlikowski, 2011, p. 2). Thus, bundles of activities are constitutive of the enactment of social orders, which, in turn, induce human activities (Giddens, 1984; Schatzki, 2005). However, through their enactment, activities, in turn, further facilitate the development of social orders. Second, practice theory rejects “black and white” dualisms or dichotomous relationships between, say, objectivity and subjectivity (Ahrens, 2008), structure and agency, individual and institutional, or freedom and determinism (Feldman and Orlikowski, 2011; Reckwitz, 2002). Third, practice theory assumes a so-called “relationality of mutual constitution” (Feldman and Orlikowski, 2011, p. 3), meaning that one phenomenon cannot be considered to be independent of other phenomena. Feldman and Orlikowski (2011) thus argued that social order is always “in the making” (p. 2). Accordingly, structures or institutions cannot be studied without the consideration of human agency, although it is itself influenced by the structure.

Some authors have argued that practice theory tends to focus at the micro-level while neglecting wider institutional factors (Lounsbury, 2008). Practice theorists themselves, however, have argued that they “aim to respect both the efforts of individual actors and the workings of the social” (Whittington, 2006, p. 614). Overall, Schatzki (2001) argued that “phenomena as knowledge, meaning, human activity, science, power, language, social institutions, and historical transformation occurs within and are aspects or components of the *field of practices* [italics in the original]. The field of practices is the total nexus of interconnected human practices” (p. 2).

In light of the abovementioned aspects, in this chapter, I draw on practice theory to develop an abstract account of a so-called subdomain of a specific field of practices, namely a subdomain of the organisation. The specific subdomain of the organisation that I investigate in this chapter is the

management accounting department and the organised activities of management accountants. Thereby, I am especially interested in exploring how and why these activities influence those of other subdomains within the organisation.

Aiming to present a theoretical foundation for management accountants' involvement in and influence on the business and management of the firm, I mainly draw on the work by Schatzki (2005; 2006), which has already been referred to in management accounting research (Ahrens, 2009; Ahrens and Chapman, 2007; Jørgensen and Messner, 2010). I especially draw on Schatzki's (2006) work on "organizations [sic] as they happen", which, from my perspective, presents valuable sensitising devices to study how management accountants experience and understand the organisation and are thus involved in as well as influence its happenings. However, in order to explore how management accountants not only experience and understand but even influence the firm, I start my analysis from Ahrens' (1997) interpretation of Bourdieu (1977; 1990). Additionally, in order to theorise management accountants' agentic behaviours, I also refer to the understanding of agency presented by Emirbayer and Mische (1998).

In the following section, I will introduce the main concepts, which will later be used to guide my empirical analysis and to suggest a framework for further research on the work of management accountants.

C.3.2 Practice theory and the study of the organisation as it happens

The organisation as a nexus of practices and material arrangements: Following Schatzki (2005; 2006), an organisation is composed of a nexus or bundle of practices and material arrangements. Practices are thereby defined as "structured spatial-temporal manifolds of action" (Schatzki, 2006, p. 1864). Actions that coherently compose a specific practice are organised or structured by four principles. First, the *practical understandings* of actions that constitute a practice, which is the know-how concerning those specific actions that compose a practice, that is, the specific knowledge required to conduct particular actions that in sum build up a specific practice. Second, *rules*, namely the instructions, requirements,

guidelines, and rules of thumb that organise a particular set of actions constituting a practice. Third, the *teleoaffective structure*, “which encompasses a range of ends, projects, actions, maybe emotions, and end-project-action combinations (teleological orderings) that are acceptable for or enjoined of participants to pursue and realize” (Schatzki, 2006, p. 1864). Such teleoaffective structures have a normative or prescriptive character because owing to different perceptions of, say, the level of appropriateness, some actions are privileged compared with others. Fourth, there are *general understandings* such as the understanding of the nature of work. In sum, these four principles organise those arrays of activity that constitute practices (Ahrens and Chapman, 2007). Referring to Schatzki (2005), Table C-1 presents a short overview of the four principles structuring and organising actions.

Table C-1: Principles structuring and organising actions (Schatzki, 2005)

<i>Principle</i>	<i>Definition</i>
<i>Practical Understandings</i>	Understandings of the actions constituting the practice
<i>Rules</i>	Directives, admonishments, or instructions that participants in the practice observe or disregard
<i>Teleoaffective Structure</i>	A range of ends, projects, actions, emotions and end-project-action combinations (teleological orderings) that are acceptable for or enjoined of participants to pursue and realize
<i>General Understandings</i>	Basic understanding about the general logic and structure of social practices and actions (e.g., the general understanding about the nature of work)

However, the structure is just one component of a practice. The second component, namely the material arrangements, are “assemblages of material objects – persons, artifacts, organisms, and things” (Schatzki, 2006, p. 1864). To sum up, an organisation “consists in interrelated practices transpiring amid interconnected material orders” (Schatzki, 2006, p. 1864).

Experiencing and understanding the organisation as it happens: In the previous section, I outlined Schatzki’s (2005; 2006) understanding of how an organisation can be described from a practice theory perspective. In this section, further drawing on Schatzki (2006), I delineate the conceptual basis to

explore what it means from a theoretical perspective to experience and understand an organisation as it happens, which Schatzki (2006) further referred to as experiencing the organisation in real time. Accordingly, I will first outline how the happening of an organisation can be described, theoretically. In light of the research questions, I consider this perspective to be the theoretical underpinning of the involvement of management accountants in the business and management of a firm, which – though it is oftentimes mentioned in the literature – in most cases is not profoundly related to theory.

Schatzki (2006) argued that the happening of an organisation has basically two components, which I have already described in the previous section, namely the structure that organises actions and the material arrangements that constitute a practice. First, the happening of an organisation thus depends on the performances of those actions that make up its constituent practices. Associated with these performances is the structure, which organises these actions, namely the four principles mentioned above. Second, the happening of the organisation also depends on the material arrangements, which “help constitute an organization as something that houses human activity” (p. 384). Material arrangements, however, *exist* and do not happen. But they are nevertheless involved in so far as entities that belong to the material arrangements (e.g., people, artifacts, or things) are referred to, used in, or causally support an organisation’s actions. Accordingly, the real time of an organisation comprises the performance of its constituent actions as well as the occurrence of specific events, namely material events, whereby an organisation’s material arrangements (e.g., people or artifacts) causally support its activities (Schatzki, 2006). The unfoldings of performances and material events are coordinated and connected to each other and also exhibit common features such as rhythm and pattering. Overall, Schatzki (2006) argued that “[t]o experience an organization in real time is, thus, to experience the movement of its performances and events; to understand an organization in real time is to grasp, explain, or theorize these interrelated and patterned passages” (Schatzki, 2006, p. 1866). Nevertheless, he also argued that there is more to an organisation as it happens than merely what actually happens. In this context, Schatzki (2006) referred to what he called *practice memory*, which is the persistence of the structure of an organisation’s actions from

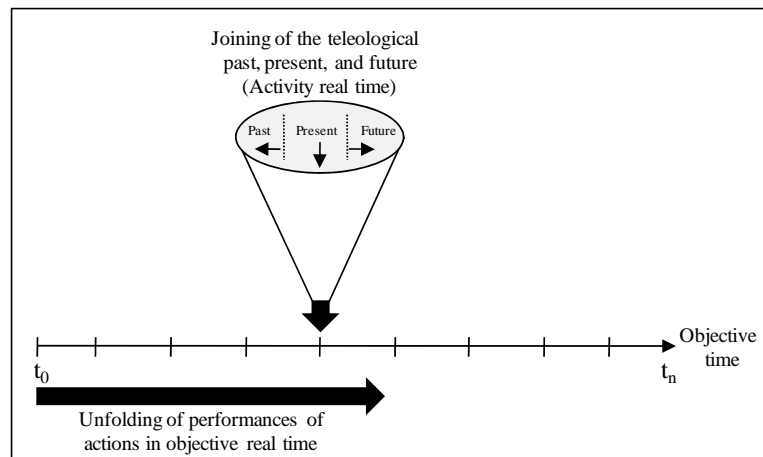
the past into the present. Practice memory is secured by actions, thoughts, or experiences and is also embraced in the happening of an organisation.

The performances of actions and the phenomena that maintain the persistence of their structures spread over time. The actual structuring of an organisation's actions thus happens with their actual performances, which occur over the course of time. In light of this, it can be interpreted that Schatzki's (2006) understanding of time resonates with Bourdieu (1990), who argued that a practice is constructed in time and that this is what "gives it its form, as the order of succession, and therefore its direction and meaning" (p. 98). Schatzki (2006), in this sense, referred to the term *real time*. Considering the real time of an organisation, he argued that there are two related forms: objective real time and activity real time. Objective real time can be understood as the passage of an event that is not instantaneous and that is contained in a universal before-and-after-ordering of events and moments. Contrary to objective real time, activity real time is characterised by the understanding that the past, present, and future are different but still co-occurring dimensions of human actions. Delineating what he understands as activity real time, Schatzki (2006) referred to Heidegger (1962) and argued that acting in activity real time is a teleological phenomenon. From this perspective, acting in activity real time embraces an end (i.e., a future dimension), the past that motivates (i.e., a past dimension) and the present (i.e., the activity itself). For Schatzki (2006), the happening of an organisation is thus a combination of the unfoldings of the performances of actions in objective real time together with the joining of the teleological past, present, and future, co-occurring in activity real time (Figure C-1).

Schatzki (2006) further argued that in order to understand the real time happening of an organisation (or the organisation as it happens) one has to grasp the nexus of pasts and futures. Additionally, one also has to grasp those structures (i.e., the understandings, rules, and teleoaffective structures) that fill the pasts and futures of organisational actions (Schatzki, 2006). In light of this, Schatzki (2006) further stated that different pasts and futures are open to different participants of the organisation and depend on their "status, experience, abilities, current position in objective time or in space, and the people with whom and in relation to whom" they act (p. 1872). In the following section, I

will further outline how, from a theoretical perspective, actors cannot only experience and understand but also intervene and influence the happening of the organisation.

Figure C-1: Schatzki's (2006) concept of an organisation's real time



Agency: Basically, people are part of the organisation's material arrangement and as such, they are involved in its happening. As actors, however, they do not only experience and understand the organisation as it happens but based on that also reflect on an organisation's practices and thereby feed their own intentionality to act upon its happening. Looking, however, at the business level, there might be perceived differences between the participants of an organisation working for operational departments, such as salespeople, who oftentimes seem to be more involved in the actual performances of an organisation's actions than are those participants working for administrative departments. In the context of management accounting, for example, this may be because of the wary belief that although management accountants are, at least to a certain extent, detached from an organisation's core activities (Ahrens, 1997), they nevertheless try to interfere (Ezzamel and Burns, 2005; Vaivio, 1999). Accordingly, it may be proposed that there is gap between the mere involvement and actual influence of actors. In terms of the latter, I refer to aspects of agency and aim to present a theoretical basis to analyse management accountants' influence on the organisation as it happens.

In accordance with the theoretical basis concerning the real time of an organisation, as outlined above, agency can be understood as “a temporarily embedded process of social engagement, informed by the past (in its “iterational” or habitual aspect) but also oriented toward the future (as a “projective” capacity to imagine alternative possibilities) and towards the present (as a “practical-evaluative” capacity to contextualize past habits and future projects within the contingencies of the moment)” (Emirbayer and Mische, 1998, p. 962). From this perspective, agency “involves the ability to remember the past, imagine the future, and respond to present circumstances” (Feldman and Pentland, 2003, p. 95). Thus, such an understanding of agency corresponds with practice memory and the exclusive access to practice memory, which is reserved for specific actors. It can thus be argued that those who have access to practice memory can mobilise and contextualise the past and bring it together with the present and future in order to make a difference within the actual unfoldings of the performances of the firm’s actions.

Bourdieu (1977; 1990) argued that in order to intervene strategically or, as I argue in this chapter, to influence an organisation, one requires the freedom to vary the tempo of the performances of an organisation’s actions as well as the structure amid which they aspire and that further exerts influence on the character of these actions. Tempo can thereby be defined as the use of time or the timing of an action (Ahrens, 1997; Bourdieu, 1977; Bourdieu, 1990), and this is also closely associated with meanings, intentions, and underlying actions, which reside within the respective variations of tempo. Thus, if an actor assumes something to be important, legitimate, or appropriate, for example, then s/he will accelerate or slow down the pace of its performance (Ahrens, 1997; Bourdieu, 1990).

But how can specific actors – in the present case, management accountants – effectively engage in the happening of an organisation in a way that they can “‘make a difference’ to a pre-existing state of affairs or course of events” (Giddens, 1984, p. 14)? To answer this question and especially the research questions posted above, in the following section, practice theory will be used in order to study how

management accountants are involved in the business and management of the firm and how they influence the performances of the actions of other professional groups within the firm.¹²

C.4 Case background and research method

C.4.1 Case background

As in the previous chapter, the second research objective of the present dissertation was also investigated by means of a case study within SANITA (fictitious name). More detailed information on the case firm and on the rationale for choosing it to study the business and management orientation of management accountants can be found in section B.4.1 of this dissertation.

C.4.2 Data Collection

As mentioned in the previous chapter, together with another researcher I conducted 46 interviews (with 43 interview partners) with top managers, operative managers, and corresponding management accountants from SANITA's headquarters in Germany as well as its subsidiaries in Austria, China, France, Italy, the Netherlands, the USA, Spain, and Poland (for more details, see the Appendix). In order to gather in-depth empirical data to study research objective two, I asked both sides, namely management accountants and non-accountants, to elaborate on their careers as well as their own perspectives on management accounting and the role of management accountants. In addition, I asked about the points of contact and interaction structures between managers and management accountants as well as their mutual expectations. Moreover, I asked managers and other people from operations the extent to which management accountants influence operational processes as well as operative and strategic decisions as well as the general management of the firm. By means of open-ended interview questions, I encouraged interviewees to – whenever possible – refer to everyday examples in order to collect as many narratives on

¹² Drawing on practice theory appears to be useful to build on and even deepen the findings presented in Chapter B that mainly focused on the role of the management accountants. The role can be considered as an important part of the structure surrounding the management accountants. The present chapter, in contrast, sheds more light on the actions of management accountants that are interrelated with their business- and management-oriented role and that thus not only reproduce but also shape this role. Alternative theories, especially functionalistic (e.g., role or contingency theory) or positivistic (such as psychological theories) ones do not fully account for this dualism.

the integration of management accountants in operational processes and the management of the firm as possible. Thus, even though I did not *observe* practices, I nevertheless had the chance to collect a vast amount of descriptions of the practices and actions that are performed within the firm as well as on how management accountants are integrated within these practices. Because I interviewed people from different subsidiaries, levels, and positions, the interviews allowed me to gain a broad overview of the practices and performances of actions that support the constitution of SANITA. Additionally, in December 2009, a workshop took place together with managers and management accountants from SANITA as well as a team of researchers from my university. This workshop offered an opportunity to discuss and corroborate some of my preliminary findings and allowed me to collect additional information resulting from discussions.

C.4.3 Data Analysis

I coded the empirical data using QSR NVivo 8, which allowed me a detailed coding by using categories determined by the researchers. The categories used for my data analysis emerged from the research questions, theory, empirical data, and the interplay among these elements (Anderson-Gough et al., 2005; Lambert and Pezet, 2011). During the data analysis, I moved back and forth between empirical data, theory, and previous research to make sense of the empirical material (Ahrens and Chapman, 2006; Jørgensen and Messner, 2010).

C.5 Case findings

C.5.1 Management accountants within SANITA

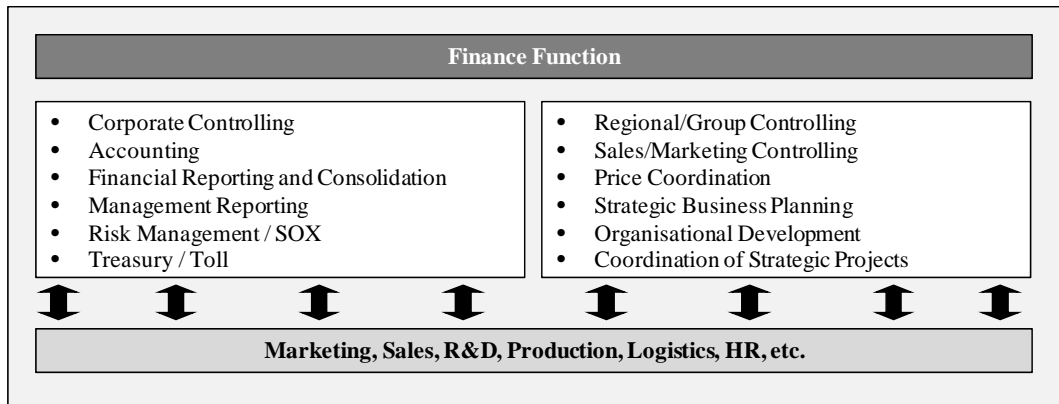
As has been stated in the literature, the work of management accountants is diverse and it depends on the specific organisational context as well as the actors involved in the organisation (Byrne and Pierce, 2007; Mouritsen, 1996). In order to account for this context dependency, in the first section I describe the

role and work of SANITA's management accountants. I thus also illustrate how the management accounting department is integrated into the overarching organisational structure.

Historically, SANITA has always been a product- and customer-oriented firm. The strong focus on innovative products, however, has led to a neglect of economic control within the firm. In the past, SANITA also focused to a large extent on the German sales market, which in the 1990s shrunk dramatically. As a consequence of this negative market development together with an internal negligence of financial and economic control, SANITA faced financial problems. Noting this crisis, the firm appointed a new CFO (i.e., P3, nowadays CEO), who was tasked with balancing the firm's struggle for innovative products and its economic control by strengthening the latter. Owing to the involvement of the new CFO, in the following years SANITA passed through a change process (see Chapter B). As part of this process, it implemented new management accounting and control systems. Concerning the changing roles of management accountants, some interviewees mentioned that the most important factors driving this process were changes in the meanings, which are attached to the role. These changes were further described as mainly driven by the close cooperation with external professional education institutions as well as internal role modeling, especially enacted by P3 (see Chapter B).

Today, the management accounting department has two sub-departments with two heads, together replacing the position of a CFO. One head is responsible for operative tasks such as reporting and financial accounting and the other is responsible for strategic tasks such as business planning and business and corporate development (Figure C-2).

Management accountants at the headquarters start their careers as financial analysts and then develop towards becoming responsible for marketing and sales management accounting and later for pricing and group management accounting tasks. Finally, they have the chance to become head of management accounting. Local management accountants, by contrast, enter their careers as sales analysts and then move towards local management accountants, local CFOs [*kaufmännische Leiter*] and finally, local CEOs. As local CFOs, local management accountants are members of the local management teams.

Figure C-2: Simplified overview of SANITA's Finance Function

Managers, in their daily work, intensively interact with the different levels and sub-departments of the overarching finance and accounting department. Management accounting is thus located at the interface between the firm's other departments and it is considered to be an integrated and connecting element of the firm. In the following quote, a sales director talks about his/her various points of contact with management accountants.

I'm in contact with different levels of [the management accounting department]. In every subsidiary, there is a controller [local CFO] who is responsible for the [local subsidiary] and for building up the reporting system, measurement systems, numbers, and so on. And in the daily operative business we're in contact and discuss if we're in line with the budget ... questions such as ... where are we in comparison with the forecast ... where do we have to intervene regarding the costs ... where can we invest more? Standard topics. But on the other side, I also deal with the group controlling [management accounting] especially with [P19's] troop, business development, group controlling. I don't want to separate that because it's a smooth transition that we have here ... we discuss market strategies, long-term topics ... forecasts, of course ... market development. ... So, these are two different levels. One is business development, business planning and the other is the daily business, and all the things a firm needs to prevent undesirable developments. (P9, II)

Most interviewees from different departments recounted that management accountants are considered to be internal service providers or process and strategy consultants.

The controllers also act as [local CFOs]. That means that they're not only responsible for standard controlling [management accounting]. They rather have a broad area of responsibility. They're responsible for the whole commercial management and thus for the back office and together with myself they're involved in and responsible for the whole administration ... and the management of the subsidiary. We're in contact concerning the daily business, processes, and logistics. But we're also in contact concerning the margins, analyses, and daily support for sales and marketing. (P27, II)

Local management accountants have a broad area of responsibility. They are responsible for the coordination of the business planning processes, strategy development and strategy reviews, coordination of budgeting and forecasting, and monthly and yearly reporting. They also control the sales and marketing functions and are responsible for risk management. They supervise projects, moderate results and operational review meetings, and engage in internal management consulting. Additionally, they are responsible for ensuring the standardisation and alignment of local business processes with the central guidelines provided by the headquarters. In light of this, SANITA's management accountants have a close relationship with operative departments and thereby acquire a broad knowledge about the firm's business.

From an international viewpoint, a controller who's just sitting in the headquarters can't add any value. [S/he] has to go out ... hold customer meetings ... staff meetings ... and [s/he] has to realise in a small structure that sometimes you don't have a staff position on your side so that you have to be hands-on. So [s/he], e.g., has to work to an open day, take inventory and things like that ... to know what the business actually looks like when [s/he] later decides on the green table. (P8, II)

Managers recounted that management accountants are even expected to engage in management control [*Unternehmenssteuerung*] and to actively influence the development of the firm. As I will elaborate in the following sections, management accountants are not only equipped with the capability to influence the firm's structures but even to actively engage in the performances of its constituent actions.

Within SANITA, you're treated like a half manager and thus you have to see the big picture and what's going on in the different areas. And if something within my area of responsibility is going badly or doesn't work as it should then I have to intervene and to prevail. (P35, II)

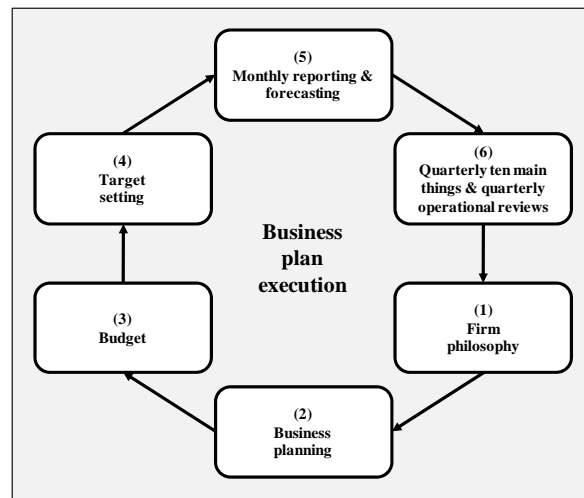
C.5.2 Management accountants' influence on the organisation of the firm

The previous section showed that the management accounting department within SANITA is an integrated part of the firm. In the next sections, I explore management accountants' actual influence on the performances of the firm's constituent actions. I firstly focus on their participation in practices that are performed to organise other practices and to ensure that specific structures are produced or reproduced (Swidler, 2001). I refer to these organising practices as "meta-practices" (Adler et al., 1999; Becker and Brauner, 2003). Empirically, I focus on two groups of such meta-practices, namely first, planning,

budgeting, and monitoring and second, business and corporate development, to illustrate how management accountants, even at a more abstract level, influence operational practices within the firm.

Planning, budgeting, and monitoring: Within SANITA, such as IT, HR, R&D, and production, management accounting is a corporate function that sets standards throughout the entire group. Closely interacting with their colleagues at the headquarters, local management accountants are also responsible for ensuring that standards, guidelines, and policies (e.g., standardised cost accounts, terminologies, reporting structures, planning processes, budgeting, forecasting, or pricing policies) are adhered to in the local subsidiaries. For this reason, a formal management control handbook provides specific rules and guidelines, a formalised yearly schedule, uniform reporting structures, specific templates for meetings such as results meetings or quarterly operational review meetings, and defined templates for business planning, budgeting, and forecasting. Management accountants at the headquarters also develop and provide templates and standards for auditing and internal monitoring. Standards and policies are thus considered to be a basis for the “management of management control”. For organising the yearly course of internal planning and control events, SANITA uses a template, which is called the Controller’s Annual Planner (CAP). The CAP is a template for the timing of regular administrative events in the context of planning and budgeting (e.g., business plan and budget preparation or budget presentation), monitoring (e.g., quarterly review meetings or internal audits), and financial accounting (e.g., monthly closing). From an administrative perspective, the CAP depicts a template for structuring the course of the year at an abstract level. In light of this, the CAP influences life within the firm, because the different departments and local units do not only have to take these formalised events such as review meetings into account, but also have to be prepared for these events. Most of the elements integrated in the CAP are part of SANITA’s management control system embracing planning, budgeting, target setting, and monitoring, which generally aims to ensure the execution of the strategic business plan (Figure C-3).

Figure C-3: SANITA Business System

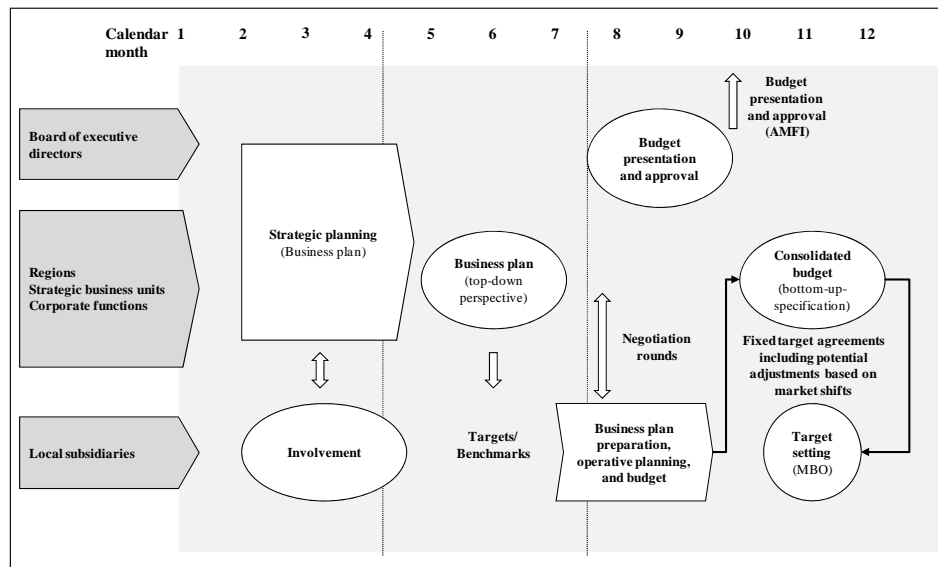


Based on the CAP, major points of contact between managers and management accountants are formalised within SANITA and set during the course of the year. Referring to the theoretical framework introduced above, events determined by the CAP tend to slow down the tempo of other operational basic activities, since the binding events set in the planner do, at least temporarily, shift the attention of operational managers from actually enacting activities towards reflecting on them.

We've a huge agenda ... we've monthly results meetings with the local subsidiaries taking 60 or 90 minutes via video conference or telephone. Then we've quarterly reviews taking place locally, if possible ... with the participation of the sales directors, board members and the respective regional controller. Then we've our budget planning, which takes eight weeks from the first draft to the final budget. In that phase, we're in contact on a weekly basis. Then we've the business planning that is prepared and driven by the local controller ... [s/he] is the main driver but also in close contact with the regional controller. ... During a regular week, every second day I'm in contact with the controlling department ... revising sales planning ... verifying sales coverage plans ... checking some expense positions ... At the moment, we are controlling our contingency plans ... parallel to the business development ... to secure profitability in the short-term. So we are in close and frequent contact with the controlling department. (P7, 11)

Associated with the CAP and the overarching management control system, the course of the firm's year is further organised by a formalised business planning and budgeting process, encompassing and temporarily ordering a wide range of activities of different members such as top, local, and operative managers as well as management accountants (Figure C-4).

Figure C-4: Business planning and budgeting process



Coordinating and managing the business planning and budgeting processes is one of the major tasks of management accountants at the headquarters. However, they are not only responsible for managing business planning and budgeting but also actively involved in providing local subsidiaries with initial suggestions for planning and budgeting premises, especially by approving or rejecting the business planning and budgeting proposals submitted by local units. Management accountants at the headquarters thus stressed that they act on behalf of the top management and work at the interface between different levels and departments within the firm. In this sense, management accountants are involved in various activities and events happening within the local subsidiaries such as specific marketing measures, sales activities, or decisions concerning expansions of the workforce. Because these encompass the sequences of activities and events – a specific measure aimed at increasing sales, for instance, is a not instantaneous event – management accountants at the headquarters are involved in the passages of the performances of these respective activities and thus experience them in real time. However, as management accountants also have the authority to, say, reject or approve the budget proposals submitted by local managers they, in a sense, also influence activities. In other words, by approving or rejecting plans or budgets, management

accountants at the headquarters are actively involved in shaping future activities and events. From a theoretical perspective, approving or rejecting something combines past (e.g., based on historical data or experiences), present (i.e., the activity of evaluating, approving, or rejecting itself), and future (e.g., projections concerning the future development of the firm).

The interviews revealed that a vast amount of activities are performed by management accountants, which inherently aim at shaping future performances against the background of reviewing what has already happened and what is expected to happen. In the context of such activities, management accountants engage in shaping the future performances of actions. Interviewees recounted that monthly consolidated reporting, forecasting, or review meetings, for instance, serve as early warning mechanisms, not only monitoring but even shaping the future of the firm. The same holds for the so-called Financial Calls, namely the telephone review meetings held between management accountants at the headquarters and local management teams. Within these telephone meetings, participants not only review but on that basis also control the development of local subsidiaries. Additionally, so-called Ten Main Things Reviews, namely the reviews of the achievement of the strategic action plans of the sales and marketing departments, involve management accountants discussing and reviewing internal best practices, strategic objectives, and specific projects, as well as adjusting the forecasts submitted by subsidiaries. Furthermore, so-called Quarterly Operational Reviews are held to monitor and control the firm's development and to "ensure effective management control", as interviewees recounted. Within these meetings, local managers and management accountants, regional managers, and members of the executive board [*Vorstand*] discuss various topics such as market developments, quarter-end accounts, forecasts, or the positions of the firm's main competitors.

Consequently, it can be argued that based on their participation in business planning, budgeting, and monitoring, management accountants within SANITA exert a specific form of agency. Owing to their involvement in meta-practices, they act at the interface of the past, which is oftentimes stored in the reporting systems, their own, or managers' memories as well as the future, namely various forms of projections and forecasts. In the "here and now", management accountants can then respond to present

circumstances, for example, by approving or rejecting proposals. By doing so, management accountants influence the future performances of the firm's actions. In other words, based on their experiences as well as their legitimated access to information on the firm's past (i.e., their access to practice memory), management accountants have the possibility to question or doubt the assumptions and premises underlying proposals and forecasts, which then either have to be explained or revised by the respective local management teams. Contrary to previous observations of planning and budgeting functions reported in the literature (e.g., Ahrens, 1997), SANITA's management accountants do not distance themselves from operations. Rather, even in the context of meta-practices such as business planning, budgeting, or monitoring, they act at the interface between the strategic and the operative and thereby aim to connect these perspectives to shape the present and future happening of the firm. Accordingly, management accountants at the headquarters not only provide abstract frameworks for planning and budgeting and, apart from that, act from a distance. Rather, by possessing the capability but especially the legitimacy to respond to present circumstances, which is granted to them as they act on behalf of the firm's executive directors, they also effectively influence the tempo of the firm. The same holds true for local and functional management accountants (e.g., sales management accountants), who are even actively involved in the actual drawing up of local plans and budgeting proposals. Thus, local management accountants, on one hand, directly influence local proposals but, on the other hand, are also responsible for comparing actual achievements with the projections made in the proposals and, if necessary, initiating countermeasures. The following quote illustrates the influence of management accountants on the achievement of agreed targets. Referring to the theoretical framework, in the context of planning and budgeting, the interviewee – even linguistically – points to the management accountants' capability to slow down the tempo of actions unfolding within the firm.

If sales trends are not as good as forecasted, then, of course, you have to check whether you can still afford to invest in marketing as intended or if you have to reallocate here and there or even stamp on the brakes. That means introducing corrective actions and finding a solution together with the respective regional manager in order to achieve the required outcome. (P24, 11)

Business and corporate development: Management accountants at the headquarters, at least members of the respective sub-departments, are also responsible for business and corporate development.

The following quote shows that this specific meta-practice relies heavily on mobilising the firm's strategy. It also shows that the management accountants involved in this practice have a kind of dual responsibility. On one hand, they are responsible for monitoring whether particular activities really support the achievement of the firm's strategy. On the other hand, they have to actively intervene in the performances of actions that do not support the firm's strategy by initiating countermeasures. Accordingly, it can be interpreted that by mobilising future projections, management accountants influence the teleoaffective structuring of the firm's practices by rendering some activities more appropriate or desirable than are others. Management accountants thus mobilise the firm's strategy to influence the structures of its practices. The following quote also illustrates that the work of management accountants is not detached from but rather associated with the actual performances of the firm's practices and actions.

In addition to my business development task, I took charge of the [international management accounting department]. Thus, we [the controllers] have good opportunities to influence the firm's strategy, to drive strategic projects, and, at the same time, based on our monitoring activities, to ensure that our strategies are implemented. Thus, it's a function where you can really have an influence. And in this context my task is partially advantageous, partially prejudicial ... because from a controlling [management accounting] perspective I should basically be neutral because I monitor on behalf of the board of executive directors and influence business development, but from a strategic perspective, I also have to think about how we can further develop the organisation within all our regional areas. Sometimes it's hindering but sometimes it's also conducive ... it's conducive because together with the sales directors I have the opportunity to further develop the organisation. Hindering because in difficult times a sales director who's basically strategically and disciplinary responsible for the region thinks that I am trying to intervene in [her/his] terrain. And thus I have to cope with both roles because these things don't always go according to plan F because every organisation is developing in an individual way. My role, the role of the controller, is thus to monitor whether [the strategy] is really implemented ... but if the sales, for example, don't come ... I also have to tackle the structure. (P19, 11)

The interviews also showed that management accountants within the case firm are even responsible for providing the basis on which local subsidiaries can happen. Interviewees mentioned, for instance, that management accountants are responsible for coordinating the legal formations of local subsidiaries. In addition, they are responsible for designing internal structures and formalising internal processes such as business planning and budgeting. Moreover, they act as project managers for the implementation of ERP systems as well as business process managers and internal consultants (e.g., in the context of outsourcing or profit improvement projects). Thus, SANITA's management accountants are deeply involved in shaping the structures on which administrative and operational practices within local subsidiaries later rely. Additionally, management accountants organise parts of the material arrangements

(e.g., in terms of implementing information systems), which enable, support, and shape the performances of local subsidiary's practices. Hence, the case study showed that, even at an abstract level, management accountants not only experience the firm ex post but rather in real time. In this sense, management accountants do not merely observe the happening of the firm from a distance, but rather influence and control the real time unfoldings of its actions. Some interviewees mentioned that this form of influence is only possible because other "traditional" management accounting tasks such as standard reporting are automated using integrated online reporting tools, which are used by managers even without any support from management accountants.

We've the intention to take joint responsibility for the [management control] of our subsidiaries ... the lovely phrase "management partner". That's our intention and also our task ... to be management partners for our regional managers, sales directors, [local CEOs]. ... I'm basically the superior of all our [local management accountants] and [local CFOs] and alongside this task I try to ensure that the local subsidiaries add adequate value to firm performance. (P20, II)

C.5.3 Management accountants' influence on the structure of sales

In the previous section, I used the example of meta-practices that act upon other practices (Adler et al., 1999; Messner et al., 2008b; Swidler, 2001) in which management accountants are involved and by which they participate in the happening of the firm. In order to broaden my analysis I now shift the focus from management accountants' influence on the overarching bundle of practices towards one specific practice, namely sales. I thus explore how management accountants experience, understand, and even influence the performances of sales' actions. I chose the sales practice for three main reasons. First, the sales practice is an important operative practice and subdomain within the case firm. Second, it is visible not only internally but also externally. Third, little is known about the influence of management accountants on the sales practice. In order to investigate management accountants' involvement in and influence on the sales practice, I present an example of a project called "TURNOVER". Today, the systems, tools, and overall method developed in the course of the TURNOVER project are used as a coherent toolbox to cultivate new sales markets. Historically, TURNOVER even laid the foundation for the establishment of the business and corporate development department as well as its location within the management accounting department.

Background of TURNOVER: In 2001, TURNOVER was initiated as a project in SANITA's German sales company. The project was conducted in close cooperation between local managers and management accountants (especially P19, who also has a sales background) as well as operative managers at the headquarters and even members of the executive board. At the time when TURNOVER was initiated, SANITA, again, faced dramatic changes in the German sales market, which were mainly caused by a crisis on the buyers' market (e.g., a loss of key accounts and a shift from wholesale towards retail trade and mail order business). Based on these changes, TURNOVER aimed to restructure the sales function with the overall objective to increase sales. P19, one of the main initiators and drivers of TURNOVER, recounted that, at that time, the firm was not able to adapt to the changing market because its sales structures were very traditional and, given the new market situation, even considered to be outdated.

In Germany, we had a very traditional sales organisation and that was the reason why, at the end of 2000, we started to restructure it. We started to analyse our markets in detail to see the potentials of our sales channels and which customers we've already exhausted and which ones still have growth potential. So we started to develop scoring models and by approaching our customers we identified which of them still have growth potentials. Based on this customer potential analyses, we then adapted the German sales organisation and restructured the sales territories in order to use our field service and sales channels for those customers who still have a growth potential. By introducing a CRM, we also developed sales monitoring and built up two new sales channels. Then we rolled the system out in all our German sales areas and two years later we achieved very good results. Thus, on one hand, we professionalised the sales organisation and the management and, on the other hand, we achieved good quantitative results and even a turnaround. Thus, we further developed these instruments and developed a new system, a methodology and carried it from market to market. Basically, it is nothing special, just a methodology for how to classify customers, how to deal with results, how to make an analysis, how to use investments in an appropriate way, how to adapt the sales organisation ... and how to find out what sales control instruments we need to do all that. (P19, II)

Using TURNOVER to (re-)organise the sales practice: Over time, the TURNOVER approach was implemented in most parts of the firm. Today, it is even considered to be a standard "toolbox", basically including elements for organising the sales practice. As an important element of TURNOVER, new positions such as key account managers and sales analysts were introduced into SANITA's subsidiaries and until today these positions are considered to be an integral part of the firm, especially the local units. Moreover, integrated market cultivation approaches (e.g., push- and pull-oriented customer processing and a strengthening of the process orientation in the field service) as well as new account management and customer retention programs were implemented. Additionally, tools and systems for conducting market

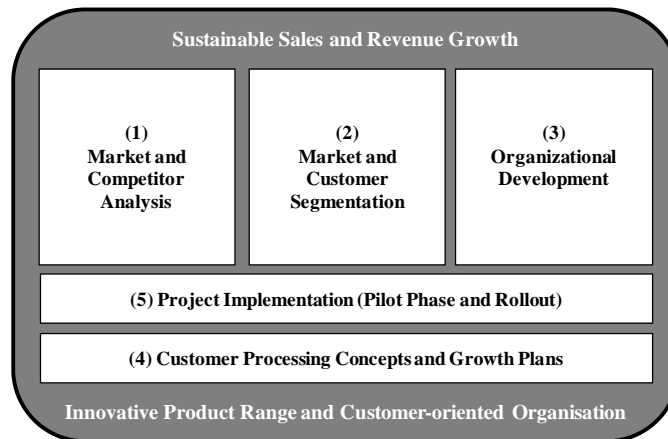
and customer analyses and segmentations based on specific scoring models were introduced and in order to support these analyses, CRM and business warehouse systems linked to the ERP system were implemented. The interviews showed that based on these new information systems, salespeople could not only analyse and classify customers based on predefined criteria, but also better plan their resource allocations, such as the planned investments in particular sales areas. Based on information resulting from the customer analyses and the segmentation of customers, individual customer processing concepts and growth development plans were designed and implemented. In light of this, the new position of the so-called sales analyst, basically management accountants at the starts of their careers, was considered important because they became responsible for the administration of the information systems, actual conduct of the analyses, and compiling of reports. TURNOVER also led to an expansion of SANITA's marketing channels and the introduction of electronic data interchange (EDI) and vendor-managed inventory (VMI) systems. Additionally, to align the targets of the salespeople with the firm's overall targets and to strengthen the results orientation of salespeople, a management by objectives (MBO) system was implemented within the sales function. Results orientation was further supported by the implementation of new monitoring systems, especially by the introduction of a sales management accounting department and sales management accountants.

Initial rollout of TURNOVER: After an initial testing phase, TURNOVER was implemented in most local subsidiaries. The Chinese subsidiary was one of the first. The idea behind this decision was that the team responsible for the rollout realised that TURNOVER could also work in emerging markets. The following quote shows the effects of the implementation of TURNOVER on the Chinese subsidiary. It also illustrates how management accountants such as P19 actively interacted with local managers and thereby enabled changes in local sales practices. The quote illustrates that management accountants were actively involved in operational areas and thereby did not only act from a distance or even distance themselves from operations by merely focusing on the presentation of organising templates. In light of management accountants' involvement in the management of the local subsidiary, especially its sales practice, the general manager of the Chinese subsidiary recounted:

The TURNOVER program has given me a lot of help (...) in reorganising our company and my sales and marketing team. There was also support from [P19] (...). And [s/he] also came several times to China. We had very creative meetings, and [s/he] also gave me a lot of support and comments on how to do it. I took this opportunity, because we have to analyse the different markets, the different business areas, different dealers, and the capabilities of our sales team. So, this gave me a really good chance to understand the picture more quickly. And also to reorganise and focus more on the results and more efficiently to form a team, and also to improve the efficiency of our sales and marketing team. (...) This program has given me a lot of support. (...) they had a lot of experience in carrying out this project. (...) And also to start this project at that special time for me, as I joined the team as a new manager for SANITA China... SANITA China at that time had already been running for 8 or 9 years, or 10 years even. So, I had to get in, have to form... reform a team, (...) to have clear directions for all the team members to get the same understanding, and the same goal, and fight for the goals. That is very important. So, at that time, we used this platform to form this team, to do this; and also to reorganise our resources as we have limited resources not only on people, but also on money, crafting tools... So, we have to focus or chose different markets, really have potential market or potential dealers. (...) So, we have to give the resources to the right market and the right customer. And this is a good support. (P36, 11)

The quote illustrates that in the course of implementing TURNOVER in the Chinese subsidiary, P19 – basically a management accountant with a sales background – was not only responsible for but also actively involved in the rollout. It also indicates that TURNOVER influenced the local understanding of the sales practice.

Figure C-5: Simplified depiction of the TURNOVER Toolbox



Based on the perceived success of the TURNOVER project, which ended in 2004 under the direction of P19, management accountants at the headquarters developed a “TURNOVER toolbox”. The TURNOVER toolbox is used as a kind of standardised procedure to cultivate new sales markets. Figure C-

5 presents a simplified overview of the main components, which are embraced by the firm's strategy, namely to provide an innovative product range and to have a customer-oriented organisation as well as to achieve sustainable sales and revenue growth. It can thus be argued that the toolbox is used as a structuring and organising instrument to mobilise the firm's strategy in the context of cultivating new markets.

Today, the TURNOVER toolbox is considered to be a standardised set of tools and systems, which is deployed throughout the entire group, especially within newly founded subsidiaries. In firm presentations, the official statement regarding the toolbox is that “[m]oderated by management accountants, TURNOVER aims at identifying growth potentialities, an effective allocation of resources, and a strategic further development of the sales function.” Management accountants are thus strikingly described as “caretakers of corporate success”. Consequently, the case of TURNOVER, which, over time, led to the development of a standardised set of tools for market cultivation, is an interesting illustration of how SANITA's management accountants participate in and even shape operational practices.

Management accountants' influence on international pricing policies: In the previous section, I shifted the focus of my analysis from the overarching bundle of practices towards a specific practice, namely the sales practice, and showed how management accountants are involved in structuring activities belonging to the sales practice. In this section, I deepen my analysis on the relationship between management accountants and salespeople by investigating management accountants' involvement in the development of pricing policies, which, from a practice theory perspective, have a rather rule-like character and are thus an important but also more constraining element¹³ of the structure shaping the actual performances of sales activities and, more generally, the sales practice itself.

Although local managers together with sales directors are responsible for quoting prices to customers, pricing is basically influenced by guidelines, which are provided by the headquarters and that during the time that I conducted the interviews were under major revision. In light of this, management

¹³ In contrast to the structure presented by the TURNOVER project, pricing policies are more constraining and considered as rules rather than general or specific understandings that shape sales actions.

accountants and salespeople were involved in a project called SIP, which stands for SANITA International Pricing. As with TURNOVER, the main responsibility for SIP lies with P19.

The local subsidiaries and the regions determine the prices in the markets, but the headquarters provide pricing guidelines. And currently, I'm responsible for a project, which aims at further developing our pricing and conditions systems here at the headquarters but also the local subsidiaries. Of course, I'm working on this in coordination with the sales directors because I can't influence the local subsidiaries if they don't support me. But, of course, I'm working on behalf of the board of executive directors that requires certain standardisation. (P19, II)

Interviewees talked about the expectations of the management accountants involved in the SIP project. In this context, they mentioned that management accountants are expected not only to collect market information and to create transparency regarding competitors' market prices, but also to support top management with aligning local pricing strategies with the overall group strategy and pricing policy. SIP was further depicted as a reaction to perceived changes in SANITA's customer structures as well as the increasing internationality and complexity in markets.

Today, we have to deal with complex customer structures ... cross-border customers ... that are often better informed than we are. And in this area, it is required from the controlling department to provide a) transparency and b) management support to ensure that all our market strategies are synchronised. (P8, II)

Interviewees further mentioned that SANITA's "German" pricing system needed to be revised in order to support local managers to better work in international markets and to better react to different customer preferences.

We've a very Germany-oriented pricing and conditions system. But the people in China [for example] have completely different dispositions to buy and therefore we have to adjust the systems because we had a mainly cost-plus-oriented pricing policy and now we have to start with our customers and think and act with them in mind. And this requires many analyses but it also entails benchmarks because first we have to understand how much customers in different countries are actually willing to pay for the product and at which margins or provisions the distributors actually work and so on. And based on that, we're currently developing a so-called international pricing policy. (P7, II)

The quote below illustrates the perceived importance of SIP on the further development of the firm. It also shows how, via SIP, management accountants are actively involved in the organising of the sales practice. It further indicates that management accountants have to understand the nature of the sales practice in order to provide appropriate pricing guidelines, which effectively support salespeople and help them manage their products and customers. It can thus be interpreted that in order to effectively organise and

influence the performances of activities that, in turn, make up the sales practice, management accountants not only have to experience but also have to understand the sales practice.

First, you have to assure our customers that based on the new conditions they're not in a worse position than they were before. Of course, we can break it down to single articles saying "You buy this product at the old discount ... it costs you bottom line €45 and at the new discount €44.90, which means for you, 10 cents cheaper." It sounds easy, but as the discount structure changes [depending on the quantity], we have to adapt the whole structure and that makes it complex and thus it's also hard to assure the customers that they're really not worse off than before and we also have to verify this vis-à-vis our customers. But also for ourselves we want it to be verified and plausible. (P23, II)

Schatzki (2006) argued that to "understand an organization in real time is to grasp, explain, or theorize [its] interrelated and patterned passages" (p. 1866). The case of SANITA thus shows that although management accountants at the headquarters do not inherently participate in sales activities such as customer meetings or price negotiations, they do aim to understand sales activities as well as their connections to other activities in order to build appropriate pricing models that are accepted by salespeople and customers. Thus, experiencing and understanding can be considered to be a basis for legitimacy to participate in the organising and structuring of actions and practices.

Prices and conditions are an important lever for our performance. In Germany, for example, we've sales reductions of 27%. The bonuses still exist and so we can't take it away from the customer, at least not without losing sales. That was the motivation to start SIP with its three major directions of impact. First, prices at headquarters ... pricing models ... price change models. Second, pricing models in the local subsidiaries, where we have to consider what prices actually exist in the markets and what conditions are affordable to customers. The major target here is to establish performance-oriented conditions so that the customer is not only afforded a 46% basic bonus because every customer is afforded that but only because [s/he] delivers a required performance a, b, c and if one day [s/he] no longer delivers this performance, then the basic bonus will unavoidably be reduced. Then we'll also have a good basis for discussing conditions and counter performances, which we do not have yet. That was the second strand ... the local subsidiaries and there is a third strand, which is SIP International Projects, that is, the project business. Here, a team deals with the question of how we can revise our pricing and conditions models for the international project business ... cross-border compensation and the like. That's the SIP project. And over the next two years I'll pay greater attention to and to coordinate it and I'll try to establish myself in this topic area. (P23, II)

Management accountants involved in the SIP project recounted that they strive to understand the relationship between SANITA and its customers in order to build appropriate pricing models. This form of theorisation, namely the development of general statements and causal relationships in the context of pricing, builds an analytical basis for the development of pricing models. Pricing models, in turn, serve as an important element of the structure shaping the sales practice because they determine the rules by which prices are elicited by the salespeople. The example of SANITA's influence on the firm's sales practice

illustrates that, at least by means of their “products” (e.g., systems, models, guidelines, or policies), management accountants are involved in the real time performances of the firm’s constituent actions. In light of this, interviewees, interestingly, mentioned that the existence of policies, guidelines, or other rule-like elements governing the sales practice even have – or are at least expected to have – an influence on the tempos of specific actions.

Of course, we have to adhere to our guidelines. I totally support that. But we’ve established specific systems for how to make special prices ... and these systems are approved. And thus I expect that a controller supports our cause to make a special price. When it comes down to approaching headquarters regarding a special price enquiry [in terms of getting headquarters’ permission to offer a customer a special price] ... Of course, it cannot be permitted that every Tom, Dick and Harry can call the headquarters to ask for a special price. Of course, it has to be channelled. But when it’s channelled, then I expect that it will be done fast. (P16, 11)

C.5.4 Management accountants’ influence on sales activities

In the previous section, I analysed management accountants’ influence on the sales practice by shaping its underlying structures. To draw a broader picture of management accountants’ involvement in and influence on the sales practice and to move further towards the micro-level, in this section I focus on the influence of local management accountants, in particular sales analysts, on the performance of the firm’s sales activities.

Local sales analysts, as members of the local management accounting department, are tasked with ensuring that the policies provided by the headquarters are adhered to in the subsidiaries. In addition, they are responsible to whether current or potential customer relations really add value to the firm. Accordingly, sales analysts have to build up a broad knowledge of the firm’s customers and products. In light of this, the following quote shows that management accountants are also expected to understand the respective motivations behind why customers actually buy a particular product in order to support as well as monitor pricing.

[The local management accountant] has to do the pricing, price monitoring ... and it may sound trivial but it’s not easy because all the information that the headquarters sends to us ... is not correct at all times and thus we have to pay attention that the conditions are accurate. ... To do so, the controller in our subsidiary, first of all, gain a thorough understanding of our sales mix. ... The [controllers at the headquarters], I would say, in contrast do not really care about the things that we sell. But we do. Second, local controllers get to know our customers, because we deal with real customers, who buy our products or not. And if we annoy our customers, then they probably won’t buy. So local controllers get to know the customers’ structures. What does a

customer actually look like? It is a complex entity ... our customers are wholesalers ... so, what motivates them to buy our products? Of course, they only buy our products in order to resell them. (P5, I1)

From a theoretical perspective, the quote above illustrates that sales analysts are deeply involved in the real time of the sales practice. Accordingly, just like salespeople themselves, local management accountants are confronted and thus have to deal with the policies and rules provided by the headquarters. Management accountants also have to take these rule-like elements into consideration when they prepare information or suggest decisions for managers, which also builds the basis for customer meetings.

Sales reductions basically comprise everything that exceeds the basic bonus. That's a crucial topic because we've immense sales reductions ... it's the biggest cost pool and thus, we have to control it. It's a very important controlling [management accounting] task to calculate, for example, the bonus forecasts so that we know how much bonus we'll have to pay at the end of the year. Because in the course of the year customers' conditions change ... you offer a special bonus here and another bonus there ... but you have to keep on track how much it'll be at the end of the year. It's a complex thing. And it also differs from customer to customer. It's an important controlling task to have calculations, which are as accurate as 0.1% and therefore we have someone who's responsible for doing these calculations. (P5, I1)

Interviewees mentioned that this kind of involvement by local management accountants, especially by sales analysts, is important in the context of bonus forecasts and the projections of sales reductions. Bonus forecasts are considered to be important because they are used to assess the added value of a specific deal or of a customer itself and thus whether a deal should be closed or not.

That's why we have an Excel spreadsheet where conditions and sales forecasts are entered and updated. Our system ... more or less automatically ... makes a projection concerning the total amount of sales reduction. (P16, I1)

The interviews showed that the form of involvement of local management accountants in the sales practice is largely based on the information they provide and by which means they engage in the performances of sales activities. In this context, management accountants are also responsible for showing how new determinants provided by the headquarters, such as increases in transfer prices, influence the future of the local subsidiary. Accordingly, in a pricing context, local management accountants support present circumstances by joining past (e.g., historical data and personal experience) and future (e.g., sales projections or bonus forecasts) information. In this sense, it can be argued that they even participate in activity real time and thus not only organise the performances of sales activities but, to a certain extent, also participate in the actual performances themselves. The following quote shows that by projecting or pre-assessing outcomes, namely by mobilising the future, local management accountants have the

capability to display agency and, in a way, to vary the tempos of specific actions. Although the form of agency illustrated in the following quote thereby differs from the “heroic change agent stories” described in previous studies, it still shows how management accountants, at least in microcosm, can make a difference in the unfoldings of the performances of sales activities.

Every year, there's a price increase and we do a simulation run to see how price increases conducted by the headquarters affect our cost of sales ... our prime cost ... and to see what possible performance effects it might have, if we increase our prices vis-à-vis our customers to this or that amount or what it costs if we arrange with our customers an individual price transition period. And I think that I succeeded in visualising the various possible effects. I can run a simulation and we can also go through it together ... for example ... the prime cost and its development is determined by the headquarters ... let's assume that by October 1st the headquarters increase the prime cost by 2% ... and if we, in turn, do not increase our prices by October 1st, then within the next six month, it'll have a performance effect ... but if we straightway increase our prices by the same amount, then we can keep our margin at a constant level and if we increase our prices a bit then we can probably also offer our customers additional bonuses, which is important because, every year, when we have our customer meetings and negotiations we have to offer them a revised bonus [to keep them happy]. And by means of the simulation runs I had the chance to present a very clear outlook on the performance effects and the things that we have to consider in our budgets. And this is also how we did it during the past three years and [the sales managers] were pleased to see the simulation and the numbers that show the effects on our EBIT ... and based on that, during the past three years, we really became faster in our decision-making and also the cooperation between me and [P25] has improved or become more intensive, because [s/he] also realised “I have to deliver information [to the management accountant] so that the performance forecasts and the budgets are correct. And if I don't tell [the management accountant] that I negotiated a deviating price transition period with the top three customers ... If I forgot to tell it to [the management accountant] then I've to accept that the performance forecasts are wrong and I'll also have to explain myself why the performance has decreased and I'll also have to explain the deviation” (P23, II)

In the context of management accountants' agency (Emirbayer and Mische, 1998), the following quote illustrates the local CFO's involvement in operational processes. It shows that in order to experience and understand the organisation as a basis for agency, they even make customer visits or are involved in decisions about the development of sales mixes or pricing decisions. The quote, once again, stresses the importance of the management accountants' information supply function on their actual involvement in and influence on operative practices. In this sense, it can be argued that information is mobilised by management accountants as a political resource that legitimises their influence on the firm's operative actions.

We've strong influence on the processes and that's also how we define the task of the controller. That means, for example, the local controller is responsible for ensuring that the recording of orders works properly. That is, EDI or meanwhile VMI. Customer portal solutions. The controller is responsible for the rollout of these tools. But it also means that [s/he] has to visit customers and talk to them about, for example, the introduction of IDE. We are responsible for the whole process handling and for the handling of all the basic issues within the subsidiaries ... this is where we, of course, have an influence. ... And from a sales perspective, we have an influence by means of our sales and margin reports. ... And, of course, we also look at low-margin products and ask “What's behind this, what's the purpose?” If I see that a product has a miserly margin,

it, however, does not directly mean that it is bad, because it could also be just the right strategy. But this is where we offer support and advise by, for example, saying: "If we decrease the margin of product A, then we've the chance to enter the market with product B" ... let's make an example ... we sell [product A] for full costs only ... that means zero margin ... but based on the corresponding [complementary product] we can earn a nice margin. And that's exactly the point where we have an influence by questioning the pricing models and asking if things really make sense. And if it makes sense, then it's OK, but we need transparency. So that everyone knows "Be careful, if you decrease the price of product A, the contribution margin will decrease, as well. But you can still increase the contribution margin of the complementary product or it could also be that even though the absolute contribution margin decreases, the relative margin still increases because of the quantity sold. And we [the management accountants] try to provide support, to have an influence and to create transparency. And most salespeople – which is basically not surprising – do not have the background but also the margin information or the required numbers at their disposals. And this is exactly where we really have a massive influence. (P20, 11)

C.6 Discussion

Although a lot has been written about business-oriented management accountants, little is known about what this sort of management accountant actually does within the firm and what marks them out as business-oriented. However, previous studies, in this sense, have already pointed to issues associated with the adoption of the business partner model (Byrne and Pierce, 2007). Accordingly, to broaden our knowledge, in this study I chose a qualitative research design to study what management accountants do within the case firm in the context of business orientation and how they do it, in turn, acts upon what other professional groups – especially operational groups – do. By doing so, the case study aimed to broaden our understanding of management accountants' involvement in and influence on the business of the case firm. Consequently, I studied management accountants' agency (Jönsson, 2009) in the sense of their capability to make a difference to the bundle of practices making up the firm. I thereby extend previous research focusing on management accountants' change agent role (Burns and Baldvinsdottir, 2005) by studying the influence of management accountants on daily practices within the firm. Based on the narratives of management accountants and managers at different levels of the case firm, I investigated management accountants' involvement in business and management from a micro-perspective and thus contribute to the literature on the everyday life of the management accountant (Jönsson, 2009; Tomkins and Groves, 1983a). Drawing on practice theory (Bourdieu, 1990; Schatzki, 2005; Schatzki, 2001, 2006),

my analysis showed how management accountants experience, understand, and influence the performances of the case firm's actions and thus its real time happening.

Based on the case study, it can be argued that management accountants' involvement in the business and management of the firm is mainly their engagement in specific meta-practices, namely practices that structure and organise other practices (Adler et al., 1999; Becker and Brauner, 2003; Messner et al., 2008b; Swidler, 2001). Examples for such meta-practices include business planning, budgeting, business and corporate development, and policy shaping. In this sense, the case study shows that management accountants are actively involved in shaping understandings and rules underlying various operational practices such as sales as well as directing these practices towards the achievement of higher strategic targets. Therefore, this study illustrates that even in the context of meta-practices management accountants actively mobilise strategic arguments (Ahrens, 1997) to organise and influence other practices and corresponding actions within the firm. In this sense, management accountants actively participate in what Schatzki (2006) referred to as the real time of the firm. As part of this participation in real time, management accountants review past performances and assess or revise proposals for future performances. As an essential part of activities such as reviewing, assessing, or revising, management accountants "remember the past, imagine the future, and respond to present circumstances" (Feldman and Pentland, 2003, p. 95). Accordingly, management accountants display a form of agency through which they influence or even control the real time happening of the firm. The case study, however, indicates that management accountants' agency is only accepted and thus possible because they do not distance themselves from operations but rather experience and understand the firm and its happening in real time, which, in turn, provides them with the required or sufficient degree of legitimacy. In this sense, experiencing and understanding the firm in real time, which I refer to as *real time involvement*, marks management accountants out as an effective part of the firm's material arrangement from which operational practices aspire. From a legitimacy perspective, the study of SANITA can thus be understood as providing further empirical evidence of the need for the cultural integration and socialisation of management accountants within the firm and its specific constituent practices. Another, perhaps more far-

reaching alternative, would be the creation of a specific management accounting culture, which would also have an effect on the non-accounting practices within the firm (Dent, 1991; Järvenpää, 2007). Based on their involvement in the firm – even at a more abstract level – and the resulting internal legitimacy, the present case study shows that management accountants even have the capability to slow down or speed up the tempo at which the firm operates. In other words, by experiencing and understanding the performances of the firm's actions and the nexus of its interrelated constituent practices, management accountants acquire internal legitimacy to influence the firm by participating in the controlling of its tempo. Consequently, although they mainly engage in meta-practices, management accountants within the case firm do not merely follow an objectivistic approach (Bourdieu, 1990) by which they detach their own activities from those of operational departments. Rather, owing to their active involvement in shaping the performances of activities from operations, management accountants are considered to be participating in the actual unfoldings of the firm's actions and constituent practices. Therefore, this chapter of the dissertation extends the analysis of Ahrens (1997) on the strategic interventions of management accountants. Whereas Ahrens (1997) stressed the importance of quantification, the study of SANITA showed that strategic interventions can occur in different forms and at different levels. I argue that strategic interventions can either occur at an abstract level, namely on the basis of structuring and organising the firm's actions and thus shaping their performances, or on the basis of an active involvement in present circumstances by actively bringing together past and future in activity real time in order to effectively influence present activities. Quantification, in this light, can be considered to be more important in the latter than it is in the former kind of strategic intervention. In his study, Ahrens (1997) referred to quantification as an important element of the work of management accountants by which means they mobilise strategy and are effectively involved in operations. Although in terms of accountability quantification still plays a dominant role for SANITA's operational managers (see Chapter D), organising and structuring the performances of actions is considered to be especially important for mobilising the firm's strategy. Management accountants at SANITA's headquarters, in this light, are strongly engaged in meta-practices. Nonetheless – or even for that reason – they are considered to be

actively involved in managing the firm and its constituent practices and directing the firm towards achieving its strategic targets. Aspects of quantification in the case firm, however, still matter at a micro-context, such as the interaction of sales managers and sales analysts who are responsible for ensuring that particular customer deals meet specific criteria provided by the headquarters, support the achievement of specific targets, or allow managers to give appropriate accounts of themselves (see Butler, 2005; Messner, 2009). Thus, based on the case study it can be stated that quantification is just one way of mobilising strategy in order to influence the happening of the firm. Organising and structuring, which interviewees referred to as the “qualitative dimension” and what I thus refer to as the “qualification” of the firm, can also be deployed by management accountants in order to mobilise strategy. In the interviews, management accountants frequently mentioned that they work on behalf of the board of executive directors. Thus, concerning “qualification”, it can be argued that top managers delegate a part of the organising practice to the management accounting department, which, in turn, aims to ensure that the structure of the firm’s constituent practices is externally legitimate. In terms of legitimacy, it can thus be interpreted that management accountants support the firm’s “qualification” of its existence within, say, a specific organisational field. Even though management accountants in the case firm engage in meta-practices such as business planning and budgeting, contrary to Ahrens’ (1997) findings about Germanic management accounting, the management accountants within the case firm, work closely together with managers, and even in the context of organising the organisation do not detach their work from the operational areas of the firm. Owing to the time interval between the study by Ahrens (1997) and this study, the divergent findings may be traced back to potential changes in the German understanding of management accounting.

Moreover, however, when it comes down to quantification, management accountants within SANITA, contrary to what has been shown in previous studies, do not use divergent calculations or metrics compared with those used by people from operations. Rather, they seem to share a common understanding with operational managers about how to “quantify”, for example, the customer (Vaivio, 1999). Thus, even though management accountants are deeply involved in most operational practices and even influence these practices, contrary to previous studies (Ezzamel and Burns, 2005; Vaivio, 1999) I

encountered no conflicts between management accountants and people from operations. It can be interpreted that this lack of conflict is, again, because of management accountants' experiencing and understanding of and thus their involvement in the performances of the firm's actions and thereby its real time, which, in turn, provides them with the required legitimacy to influence actions. A further driver may be the nature of the activities that management accountants perform, which even at the micro-level can be described as assuming the form of meta-practices. In the following section, I will elaborate on that aspect in more detail. Vaivio (1999) and Ezzamel and Burns (2005), for instance, showed in their studies how conflicts between management accountants and other professional groups (from operations) within the firm arise because of contrasting depictions or "theorisations" of, what one may call, analytical entities such as "the customer", leading to deviant ways of quantifying such entities. In such a context, management accountants may have to compete with other groups to enforce their own versions of the "truth" about a particular analytical entity. In the case of SANITA, however, management accountants and people from operations, such as salespeople, work closely together and draw on the same understanding. Thus, managers and management accountants draw on the same forms of "theorisation" (e.g., the same ways to quantify a customer). Based on their drawing of the same understandings, the activities of management accountants and – as demonstrated in the case analysis – of salespeople can merge and build coherent practices such as the "sales management accounting practice", which was introduced within SANITA within the TURNOVER project. These practices can be described as meta-practices used for structuring other practices (e.g., the sales management accounting practice is performed to structure the corresponding sales practice). In this context, the actions of management accountants do not merely aim at monitoring and controlling the actions of salespeople in a dominating way and from a perspective that is detached from the sales practice itself. Rather, it can be argued that the actions of management accountants are deliberately designed to support salespeople and direct them towards achieving their respective targets. Support, in this light, can mean enabling as well as constraining a specific practice. Thus, this case study shows that although pricing policies can influence the tempo of the sales practice because there are clear guidelines on which prices are appropriate, they still constrain because salespeople

have to adhere to the guidelines and thus slow down the tempo of sales activities to reflect them. By considering sales management accounting as a practice, I do not argue that management accounting is merely what management accountants do because the case study showed that people from operations are also engaged in this form of meta-practice. Rather, I argue that activities performed by management accountants are part of specific meta-practices designed to support operational managers to perform their own activities in a way that facilitates the achievement of individual or overall targets. In this sense, management accounting assumes the form of a critical meta-practice (Messner et al., 2008b). This function of management accounting seems hitherto under-researched, thus in Chapter D I explore to what extent management accounting is a critical practice and how it acts upon the firm as well as its members.

Additionally, because it can be assumed that targets vary from firm to firm, department to department, or even manager to manager, the respective designs of the corresponding meta-practices (from this perspective, sales management accounting) may also differ along with managers' expectations of management accountants. The variety of different expectations and characteristics of management accountants, which also supports my arguments, was illustrated by Byrne and Pierce (2007). Nevertheless, assuming the heterogeneity of different practices and bundles of practices, it is less surprising that they found that the adoption of a "business partner" role model for management accountants is "ambiguous, conditional and uncertain" (Byrne and Pierce, 2007, p. 469). In this sense, I would argue that – besides rhetoric – a model such as "the business partner" one does not exist per se. Rather, the idea of a business partner can be described as emergent, path-dependent, or – from an actor–network perspective – a network effect (Latour, 2005). In addition, it depends on the interpretation of the actors involved in its creation and objectification.¹⁴ Further research may thus explore the emergence of the business partner model within the firm from an actor–network perspective or by following a social constructivism approach. More interpretive research studying the meanings attached to the business partner role may also contribute to

¹⁴ Although the understanding of what a business partner actually is seems to depend on the specific micro-context, the present study offers some insights concerning some basic elements that might be required for management accountants in order to gain legitimacy as business partners. It, for instance, suggests that in order to be accepted as a business partner and to participate in the organising and structuring of the organisation, management accountants should aim to experience and understand the performances of actions constituting the respective organisation.

our knowledge of the social construction of this phenomenon. Because other administrative groups such as HR have also recently claimed to be business partners, it would be interesting to analyse how these groups experience and understand the firm in real time and how they influence its happening. Consequently, it can be argued that the study of SANITA's management accountants' orientations towards business and their participation in the management of the firm is not a story of competition or conflicts between accountants and other organisational professions (Armstrong, 1985) nor is it a "best practice case" aiming to develop normative suggestions for other firms. Rather, the case of SANITA presents an exemplary case of coherence between management accountants and operational firm members, which is based on a common understanding of and a collective involvement in the happening of the firm. In other words, not only people from operations but also management accountants within SANITA are considered to be experiencing and understanding the firm as it happens and not only on "tape delay" (Schatzki, 2006) through merely ex post monitoring.

In the context of management accountants experiencing and understanding the firm as it happens, this case study also highlights the importance of information systems. This study shows that information systems serve as an enabler of management accountants' real time involvement. Within SANITA, integrated and standardised online information systems are considered to enable management accountants to perform management-oriented activities, because they, on one hand, release them from traditional reporting tasks and, on the other hand, still allow them to mobilise information in activity real time. In this sense, I do not argue that management accountants within SANITA per se hand over control to the system (Baldvinsdottir et al., 2010), but rather use it in a way that allows them to strategically intervene. Even though managers can autonomously access information via the online reporting tools, management accountants are still considered to be the gatekeepers of the firm's information base and thus have "exclusive access" to it. In light of this, management accountants within SANITA are considered to be those members of the firm who develop and maintain information systems that enable a joining of the past (i.e., historical data facilitating practice memory) and the future (i.e., projections regarding the future development of the firm). In this sense, this is a perception of transparency that, in turn, facilitates the

directing and happening of the firm. Information systems are thus considered to be an important element of the material arrangement of the firm. Because management accountants are responsible for the mastery of the systems, they also have exclusive access to the firm's memory, namely practice memory.

Overall, it can be argued that the use of practice theory to study what management accountants do serves as a valuable analytical lens. The case study showed that management accountants' business orientations depend on whether and if so how they experience the movements of performances and events in real time as well as if and how they understand (i.e., grasp, explain, or theorise) the interrelated unfolding of performances and events within the firm (Schatzki, 2006). Based on this empirical material and drawing on practice theory as a analytical lens, it can be argued that if management accountants experience and understand the organisation as it happens, they are also considered to be a legitimate part of the firm. Based on their involvement in the firm and their resulting legitimacy, management accountants have the ability to influence the happening of the firm by influencing the structures of its constituent actions or the material arrangements from which these practices unfold. By actively influencing these practices and by bringing together past and future in present circumstances and reactions (Emirbayer and Mische, 1998), the case study showed that management accountants have the ability to control the tempo (Ahrens, 1997; Bourdieu, 1990) at which the firm happens. Thus, management accountants can control the use of time or the timing of actions. Following Bourdieu (1990), time is what gives practices "form, as the order of succession, and therefore its direction and meaning" (p. 98). However, as mentioned above, management accountants' effectiveness depends on internal legitimacy, which they, first and foremost, have to acquire by experiencing and understanding the firm in real time.

Like every study, my analysis has a number of limitations. For instance, because I only studied one firm, my findings may not be generalisable. Furthermore, I studied what management accountants actually do at the micro-level and their influences on the overall firm or other practices within the firm. Nevertheless, I mainly drew on interviews and documents and did not *observe* actual practices in real time. Thus, ethnographic studies, observations, or action-based research may present further valuable insights into the practices of management accountants and their integration within the firm and thereby

extend my analysis. Nevertheless, as the case study highlighted some in-depth insights into what management accountants do at the micro-level and what marks them out as being management-oriented as well as how they influence the practices of other professional groups within the firm, I would argue that the case study contributes to research on management accountants' agency (Jönsson, 2009) as well as the everyday life of the management accountant (Tomkins and Groves, 1983a; 1983b). Thus, my findings may inspire further in-depth research on the everyday lives of management accountants (Jönsson, 2009; Tomkins and Groves, 1983a) and their orientations towards business and management as well as influence on operational areas within the firm.

In this chapter, I drew on practice theory to investigate the practices in which the case firm's management accountants are engaged. I showed that management accountants mainly engage in meta-practices that structure and organise other practices within the firm and, accordingly, strongly influence other firm members' performances of actions. In order to deepen the analyses presented in this chapter of the dissertation, in the following chapter, I adopt a critical perspective and investigate why managers within the case firm actually accept the influential role of management accounting and management accountants. I also elaborate on management accountants' critical role.

D Management Accounting, Management Accountants, and Managers' Acting on the Self

Abstract

A vast amount of research has reported on the increasing importance of management accounting as a disciplinary technique. In order to contribute to the literature, this chapter of the dissertation shows how and why managers subordinate themselves to the disciplinary power of management accounting and critique voiced by management accountants. Drawing on Foucault and the research on critical meta-practices, this chapter shows that managers use management accounting as a technology of the self by which means they act upon themselves and, accordingly, construct themselves as legitimate members of the firm. It also illustrates how managers explicitly ascribe to management accountants the role of critical actors charged with the task of proactively criticising their managers, thereby supporting their self-constitution. Moreover, this chapter illustrates how managers within the case firm have internalised management accounting techniques and how some of them even identify with management accountants. In light of the findings, this chapter also problematises and critically discusses the apparently enabling effects of management accounting techniques.

D.1 Introduction

Management accounting, as a “grammatocentric kind of managing by numbers” (Hoskin and Macve, 1994, p. 70), has been described as playing an increasingly important role in the governing of individuals, organisations, and even a wider society (Fligstein, 1990; Jones and Dugdale, 2001; Miller, 2001; Rose, 1991). This, in turn, is considered to have affected the positions of accountants in management hierarchies (Armstrong, 1985; Whittington and Whipp, 1992). Considered to be a technology, management accounting can be defined as “a device for acting upon activities, individuals and objects” (Miller, 1994, p. 2), with the aim of transforming them, namely shaping their identities. Therefore, management accounting has been described as a disciplinary technology (Miller, 1992; Miller and O'Leary, 1987). However, apart from disciplining people in a merely constraining way, it has been mentioned that management accounting also attributes to actors' freedom, namely the possibility to choose how to act in a particular situation (Lawrence, 2008; Lawrence et al., 2001; Miller, 2001). Actors who use management accounting techniques in their daily work should thus not merely be understood as “social dupes”, who only use these techniques for isomorphic reasons (Lounsbury, 2008; Macintosh and Scapens, 1990; Oliver, 1991). The actual use of management accounting techniques can rather be understood as a *deliberate and willing subjugation* towards or subordination to what Jones and Dugdale (2001) called an accounting regime. Assuming, however, that actors can choose how to act and thus have the ability to resist (see e.g., Cowton and Dopson, 2002; Ezzamel and Burns, 2005; Granlund, 2001; Vaivio, 1999), the question arises of why managers still subordinate themselves to management accounting and also why they accept the apparently increasing importance of management accountants on the management of the firm (see Chapters B and C). In other words, why do managers not only *allow* for but also even actively *participate* in their own monitoring based on management accounting techniques?

Further sociologically oriented management accounting research in this area seems to be required to improve our knowledge of the institutionalisation of management accounting as a calculative apparatus for governing economic life (Miller, 2001; Rose, 1991). For the study of managers' willing subordination to accounting regimes, management accounting is more interesting compared with financial accounting

because it does not produce a statutory force (Jones and Dugdale, 2001) and as a consequence it can be considered more prone to resistance than is financial accounting (e.g., Cowton and Dopson, 2002; Ezzamel and Burns, 2005; Vaivio, 1999).

Exploring managers' active participation in the processes of structuring and monitoring their own behaviour (Hutton, 1988) by means of management accounting techniques – as mentioned above – leads us to Foucault's later works, which only recently have been seized on in management accounting research (Kosmala and McKernan, 2011; Kosmala MacLulich, 2003; Lambert and Pezet, 2011). To contribute to Foucauldian management accounting research, in this chapter the concept of *technologies of the self* is used to illustrate how management accounting is deployed by managers as a technology to critically reflect on and consequently construct themselves as rational and legitimate members of the firm, who act in line with a prevailing meta-rationality or a legitimate truth. The study also illustrates that by the use of management accounting techniques managers aim to achieve a specific kind of being. The empirical basis of this study is, again, SANITA, where I investigated how and why managers rely on management accounting techniques and practices. The analysis shows that managers deliberately deploy calculative techniques to engage in self-reflexivity and self-examination, which enables them to break open habitualised ways of thinking and acting. Therefore, the case study also highlights the role of management accountants, who in the process of managers' self-examinations are assigned by them a critical role, which they are expected to take up. Accordingly, the study also contributes to the literature on the influential role of the management accountant, which has been described as change agent (e.g., Burns and Baldvinsdottir, 2005) or critical counterpart (Becker and Messner, 2005). Additionally, the study contributes to Foucauldian research because it problematises the seemingly *enabling* effects of management accounting, which are oftentimes only mentioned in passing. The study thereby shows that although management accounting can be considered to be a critical meta-practice (Messner et al., 2008b) that allows managers either alone or with the help of their management accountants to critically examine and act upon themselves, the specific form of critique exerted by management accounting is still a normalising one. Thus, although management accounting has the potential to – at least temporarily – break open and extend

managers' habitualised ways of "entrepreneurial" thinking and acting, it does not prevent non-reflexivity per se. As a disciplinary technique, management accounting affects managers' habitualised repertoires of actions. However, after it has become part of their repertoires, management accounting itself may become habitualised and used in a rather non-reflexive way. From this perspective, the study also critically discusses aspects of freedom in the context of the disciplinary power exerted by calculative techniques (Kosmala and McKernan, 2011). Methodologically, the study contributes to the literature because there are few Foucauldian in-depth case studies on management accounting and management accountants (Cowton and Dopson, 2002). A more in-depth understanding, however, may not only contribute to our general understanding about management accounting but especially to our knowledge of the systemic form of institutional control that it exerts as an institutional practice (Chapman et al., 2009; Greenwood et al., 2008a; Lawrence, 2008; Lawrence et al., 2001).

This chapter is structured as follows. In the next section, I briefly review Foucauldian management accounting literature. Afterwards, I outline the theoretical concepts, which are later used to interpret the empirical data and present the case study findings. The chapter then finishes with a discussion and conclusion, which also embraces the limitations of this case study as well as some ideas for further research.

D.2 Management accounting and Foucault

From a Foucauldian perspective, management accounting is a disciplinary technique (Ezzamel, 1994; Francis, 1990; Hopper and Macintosh, 1993; Miller and O'Leary, 1987; Vollmer, 2007). Discipline is thereby understood as a form of systemic power that works "through the routine, ongoing practices of organizations" (Lawrence et al., 2001, p. 629). It is a way in which power is exercised as a relational phenomenon and thus as an effect of social relations rather than a "commodity" that actors can have, hold, or keep in reserve (Foucault, 1977; Lawrence, 2008). Discipline inheres a "form of power which involves ongoing, systemic engagement with the target of power and affects the actions of organizational members by shaping their understanding of the costs and benefits of different behaviors [sic] and courses of action"

(Lawrence et al., 2005, p. 187). Foucault (1982) argued that discipline is a mode of action that does not directly act on others but rather on their actions, and that it is exercised only over “subjects who are faced with a field of possibilities” (Foucault, 1982, p. 790).¹⁵ Considering management accounting as a disciplinary technique, Miller (2001) thus argued that it affects the behaviours of actors in a way that they can still act freely in accordance with particular economic norms. Management accounting is thereby regarded as acting in a constraining as well as an enabling way (Ahrens and Chapman, 2004; 2007; Ezzamel, 1994; Kosmala and McKernan, 2011; Lambert and Pezet, 2011). Previous Foucauldian research, however, has rather tended to focus on the constraining effects of management accounting, for example by describing it as a technology of constant surveillance (e.g., Hopper and Macintosh, 1993; Jacobs and Heracleous, 2001), studying the creation of the governable or calculable person, or investigating its construction as a manageable and efficient entity (Covaleski et al., 1998; Miller and O’Leary, 1987). From this perspective, previous empirical research has stressed the conflicts resulting from resistance to management accounting (Armstrong, 1985; Cowton and Dopson, 2002; Ezzamel and Burns, 2005; Vaivio, 1999). Although these studies have advanced our knowledge of the power underlying management accounting and its disciplinary effects on actors, in this chapter I shed light on and problematise the rather under-researched *enabling* side of management accounting and critically discuss the freedom that actors can apparently enjoy (Kosmala and McKernan, 2011).

Ahrens and Chapman (2007), in this sense, argued that “the key question for management control theory is not how to constrain individuals and overcome resistance. Rather, it needs to bring into focus the possibilities of management control systems as a resource for action” (p. 24). Considering its productive side, management accounting and control have been described as a distinctive body of knowledge (Jones and Dugdale, 2001) that provides “discursive representations and vocabularies” (Miller, 1994), which are associated with actors’ meanings (see also Oakes et al., 1998). It embraces the construction of information (Jones and Dugdale, 2001), produced by “a technology that writes, and presents in that writing a space for

¹⁵ In Foucauldian research, the term *subject* has two different meanings. On one hand, it means being subject to someone or something else in terms of control or dependence, whereas, on the other hand, it is tied to an actor’s identity and existence as an entity that is self-aware and capable of choosing how to act (Foucault, 1982).

examination – be it a physical flow, monetary values or human performance, of past events, present states or future possibilities” (Hoskin and Macve, 1994, p. 67). Management accounting thus textualises social environments and situations (Vollmer, 2007) and influences the definitions of positions, allocates resources, and shapes actors’ interests (Jones and Dugdale, 2001).

But why do managers as apparently free subjects – which is a prerequisite for the existence of disciplinary power (Foucault, 1982) – deliberately and willingly subordinate themselves to management accounting and in this sense even participate in their own monitoring and structuring on the basis of these techniques? By dealing with this question, the present case analysis aims to deepen our understanding of management accounting as a technology used not only for governance but also for self-governance (Miller, 2001; Vollmer, 2003). In this analysis, I draw on the so-called *later* Foucault (1986; 1988) to investigate managers’ uses of management accounting as a means for self-reflexivity, self-governance, and consequently self-transformation or self-construction. In this analysis, I mobilise Foucault’s *technologies of the self* (Foucault, 1986; 1988) as a sensitising device. Additionally, to shed more light on the reflective and critical character of management accounting I also draw on the concept of critical meta-practices. Moreover, I refer to management accountants as so-called critical actors (Messner et al., 2008b).

D.3 Crafting a research framework to study managers’ acting on the self

Meta-rationality: Jones and Dugdale (2001) argued that the power of management accounting resides in a mindset, “a bottom-line mentality” (p. 48), which informs a reflexive monitoring of actions. This mentality embraces specific forms of rationality, values, beliefs, and even emotions associated with management accounting practices and systems (Jones and Dugdale, 2001). Jørgensen and Messner (2010) argued that management accounting draws on an abstract form of rationality, a so-called meta-rationality. A meta-rationality thereby “translates different rationalities into each other or by negotiating a compromise between the different rationalities [... and thus ...] management accounting practices can enable the resolution of (potential) disagreements because they introduce a common criterion for the evaluation of practices (such as profitability) and/or because they provide a space that allows a workable

compromise to be developed” (Jørgensen and Messner, 2010, p. 187). Drawing on the idea of a meta-rationality, in this chapter I illustrate how management accounting enables managers within the case firm, either alone or with the help of others, to scrutinise their own thinking and acting to ensure that they act in accordance with a meta-rationality or a discursively legitimate truth (Styhre, 2001).

In view of management accounting's potentiality to inform the reflexive monitoring of actions (Jones and Dugdale, 2001), in the following section I introduce the concept of critical meta-practices (Messner et al., 2008b), which supports the theorisation of the (self-)reflexive character of management accounting.

Critical meta-practice: Using a deliberately pragmatic and value-free perspective on criticism, Messner et al. (2008b) presented a typology of different forms and effects of criticism and reflexivity. Reflexivity is thereby understood as practical reflexivity, which can be defined as “the questioning of taken-for-granted assumptions, frames, and mental models” (Yanow and Tsoukas, 2009, p. 3). A critical practice, in this sense, is a discursive practice that subjects “other practices to critical scrutiny to govern them” (Messner et al., 2008b, p. 71). Assuming that critical practices vary regarding their coupling with other organisational practices that they are supposed to criticise as well as the form of their occurrences (i.e., either exceptional or routinised), Messner et al. (2008b) differentiated between three types of critical practices or critique. First, critique can occur as a spontaneous reaction to a specific situation or a feeling that something is inconsistent or incorrect and thus should be carried out differently. Here, critique is exceptional and rather loosely coupled with organisational practice. Second, Messner et al. (2008b) stated that critique can arise from the clash of competing rationalities or logics (e.g., between different professional groups) (Lounsbury, 2008; Thornton and Ocasio, 2008). This form of critique requires a point of contact between different practices as well as divergent interests and thus occurs rather exceptionally. The third form of critical practices described by Messner et al. (2008b), which also supports my case analysis, are so-called critical meta-practices. A meta-practice is understood as a practice that acts upon other practices (see also Adler et al., 1999). In this context, it is a practice that criticises other practices. Critical meta-practices are tightly coupled with other organisational practices and they directly relate to

their basic functionality, although with the aim of conforming with general rules and norms (i.e., a moral code) and a specific meta-rationality or discursively legitimate truth established within the organisation. Moreover, Messner et al. (2008b) stressed the role of critical actors who are “able to criticize with impunity because they occupy a unique structural position in relation to the organization [and are] usually contracted with a very specific brief to review certain practices, processes, and structures” (Messner et al., 2008b, p. 73). Nevertheless, I argue that critical meta-practices are not solely performed by specifically charged actors (e.g., management accountants). Rather, it can, at least normatively, be stated or assumed that in order to be effective, namely to ensure adherence to a meta-rationality, critical practices should be deployed throughout the entire firm. From this perspective, critical meta-practices can be considered to correspond to particular technologies that enable actors to reflect on their own beliefs and behaviours (Burkitt, 2002).

Technologies of the self: Recently, Foucauldian studies in management accounting and organisational research have dealt with processes of so-called *subjectification*¹⁶ as a means for an actor's self-constitution or self-transformation (e.g., Barratt, 2008; Covalski et al., 1998; Kosmala MacLulich, 2003; Lambert and Pezet, 2011; Roberts et al., 2006; Styhre, 2001). Subjectification is defined as the process in which the subject willingly observes, monitors, and transforms itself (Foucault, 1986) into a subject that can act in line with a discursively legitimate truth (Styhre, 2001). This can be carried out by means of specific technologies (Foucault, 1986; 1988; Kosmala MacLulich, 2003; Styhre, 2001; Townley, 1995). A technology, in this sense, can be understood as “a form of practical action accompanied by practical reason, which aims to instill in the body certain habitual actions – either moral virtues (that is, right ways of acting in a situation) or technical skills – and, later, to give people the reflexive powers to reason about their virtues or skills, providing them with the capacity to refine, modify or change them” (Burkitt, 2002, p. 224). Foucault (1988) argued that different technologies such as meditation, training, confession, or even writing (e.g., in the form of diaries) permit individuals to effect either by their own means or with the help of others operations on their own beliefs and behaviour, to

¹⁶ The notation varies in different writings (i.e., subjectification, subjection, subjectivation, or subjectification). In order to ensure coherence, in this dissertation, I will use the term “subjectification”.

transform or constitute themselves with the aim of achieving a specific kind of being (i.e., a telos). With regard to the “others” mentioned by Foucault (1988), I draw on the concept of critical actors (Messner et al., 2008b), described above.

Burkitt (2002) argued that it is through technologies that the self is produced in all its aspects (e.g., habitus, capacities, and skills), including those that *support* contemporary structures and power relations, but also those that *challenge* them through critical reason. In the sense of conforming to and supporting existing structures, actors can use particular technologies to act upon themselves and to align their beliefs and behaviours with a discursively legitimate truth or meta-rationality. In the sense of challenging existing structures by means of critical reason, actors may use technologies to reflect on their own habitualised ways of thinking, acting, and being with the aim of breaking open internalised structures and consequently gearing themselves up for transformation or change towards a specific kind of being. The use of technologies thus plays an essential role within the process an actor's shaping of the self. However, it has been mentioned that technologies of the self are especially located in situations where actors have to use critical reason, which encourages them to choose and enact particular actions in situations where rules or norms are not clear or the demands of the social context and desires of an actor are ambiguous (Burkitt, 2002).

Essentially, the use of technologies of the self is tightly coupled with the relationship one has to oneself, which Foucault refers to as *ethics* (Kosmala and McKernan, 2011). To identify such ethical practices, Foucault (1986) presented a four-part schema to differentiate “normal” practices from ethical practices (see also Davidson, 1991; Kosmala and McKernan, 2011). In the following section, I will briefly outline the four criteria delineating ethical practices, which later in this chapter will be used to analyse and discuss the ethical character of management accounting techniques that enable actors to align their own thinking and acting with a legitimate truth. First, there is an *ethical substance*, which is the part of ourselves or of our behaviour that is the matter of ethics (e.g., our actions, feelings, intentions, or desires). Second, the *mode of subjectification*, which describes how actors are incited to realise specific rule- or norm-based obligations (e.g., a perception of demands of reason, resting on convention, by law, or desire).

Third, the *self-forming activity*, which is the practice or technology itself, namely “the memorization of rules, the regular self examination of actions, thoughts and desires as well as regular checks on the quality of performance in relation to a rule” (Kosmala and McKernan, 2011, p. 389). Fourth, the *telos*, which is “the kind of being to which we aspire when we behave morally [or in other words] the goal to which our self-forming activity should be directed” (Davidson, 1991, p. 229). In Foucauldian writings, ethics is inevitably associated with the care of the self (e.g., Kosmala and McKernan, 2011; Randall and Munro, 2010; Styhre, 2001). Styhre (2001), in this sense, argued that “[t]aking care of the self means employing the technologies of the self in order to constitute oneself as an ethical subject, i.e., a subject able to speak and act in accordance with the truth, i.e., discursively legitimate truths” (p. 799) or a meta-rationality (Jørgensen and Messner, 2010). However, it has also been stated that the actual purpose that a particular technology serves is not inherent within the technology itself, but rather in the specific context, namely the respective power relations and structures in which it is actually used (Burkitt, 2002).

The following case study within SANITA is used to illustrate and analyse managers' uses of management accounting as a technology to turn themselves to subjects who think and act in accordance with a meta-rationality. In this empirical setting, I also problematise the apparently enabling effects of management accounting and the freedom that actors can enjoy in light of disciplinary power.

D.4 Case background and research method

D.4.1 Case background

As in previous chapters, the third research objective of the present dissertation was also investigated by means of a case study within SANITA (fictitious name). More detailed information about the case firm and about the rationale for choosing it to study managers' perspectives on management accounting and their relations to management accountants can be found in Parts B and C of this thesis.

D.4.2 Data Collection

As mentioned in the previous chapters, I adopted a qualitative case study approach. Together with another researcher, I conducted 46 interviews with 43 interview partners, of which 28 interviews were face-to-face and 18 were telephone interviews with top managers, operative managers, and management accountants from SANITA's headquarters in Germany as well as its subsidiaries in Austria, China, France, Italy, the Netherlands, the USA, Spain, and Poland (for more details, see the Appendix). This enabled me to receive both a broad overview of large parts of the group and an in-depth understanding of the effects and use of management accounting at the headquarters and subsidiaries. A total of 43 interviews were tape-recorded and transcribed. Regarding the three interviews that were not recorded, I took detailed notes during and immediately after the interviews. The open-ended interview questions dealt with managers' perceptions and uses of management accounting techniques, practices, and systems as well as their relations to the firm's management accountants. The interview questions were thus mainly used to encourage interview partners to freely explain their everyday experiences with management accounting and management accountants. Additional notes were also taken during the interviews using a contact summary form (Miles and Huberman, 1994) and more detailed notes were taken immediately afterwards. Subsequently, I analysed these transcripts to understand why managers within the firm actually accept the influential role of management accounting and management accountants. After a first analysis of the interview material, a workshop took place in December 2009 together with managers and management accountants from SANITA as well as a team of researchers from my university. This workshop offered the opportunity to discuss and corroborate some of my preliminary findings and to collect additional information resulting from discussions.

D.4.3 Data Analysis

I coded the empirical data using QSR NVivo 8, which gave me a detailed (line-by-line or even word-by-word) coding according to categories determined by the researcher (Lambert and Pezet, 2011). The categories used for the presented data analysis emerged from the research question, theory, previous

research, empirical data, and the interplay among these elements (Anderson-Gough et al., 2005; Jørgensen and Messner, 2010). During data analysis, I moved back and forth among the empirical data, theory, and previous research to make sense of the empirical material and to understand what had occurred within the firm (Ahrens and Chapman, 2006; Jørgensen and Messner, 2010; Lambert and Pezet, 2011).

D.5 Case findings

D.5.1 Development of management accounting and control systems within the firm

The following section outlines the design of SANITA's management accounting and control systems, which is called the SANITA Business System. After a short description of the historical development of this system, its design will be described in more detail.

Historically, SANITA has always been a very product- and innovation-oriented firm. In the past, it focused mainly on the German sales market, which in the 1990s shrunk dramatically. As a consequence of this negative market development together with an internal negligence of the financial and economic control perspective, SANITA faced economic problems. Accordingly, a new CFO (i.e., P3) was appointed, who was charged with balancing SANITA's struggle for innovative products and the required economic perspective by explicitly strengthening the firm's economic side. Owing to the involvement of P3, in the following years SANITA passed through a change process during which it implemented new management accounting and control systems "to control the firm's innovative forces".¹⁷

D.5.2 Design of the SANITA Business System

The SANITA Business System (see Figure C-3) was officially introduced in 2003. The main devices of the system are business planning – which is internally used as a byword for "strategy" – and budgeting. Culture and philosophy play an important role within SANITA. Thus, (1) firm philosophy is depicted as the starting point of the business planning process to further denote and reify its importance.

¹⁷ For more information on the change process, see Chapters B and C of this dissertation.

Based on the firm's philosophy, (2) strategic objectives and action plans are derived, which in the next step (3) segue into a budget with defined objectives for the following period (basically one year). The agreed objectives are then broken down into individual responsibility areas and integrated into (4) an MBO system. The status of the actual achievements of the agreed objectives is monitored by means of (5) monthly reporting and integrated into a specific monthly online forecasting tool. In this context, monthly consolidated reporting and rolling forecasts and corresponding results meetings serve as early warning mechanisms. Additionally, operative review telephone meetings are held between management accountants at the headquarters and local management teams. In addition, reviews of the achievements of strategic action plans of the sales and marketing departments – Ten Main Things (TMAT) and Quarterly Operational Reviews are used to monitor achievements and “ensure effective management control”. TMAT actions for the individual market areas (e.g., “build and strengthen sales and distribution network”) are written down in a specific template, which is equipped with concrete responsibilities, measures, deadlines, and status reports. The progress of the respective measures is then discussed in specific TMAT meetings, which are held by a group management team. These meetings serve as the basis for discussing and reviewing internal best practices, strategic objectives, and the progress of ongoing projects, as well as for adjusting the forecasts regarding gross sales, net sales, and EBIT submitted by local subsidiaries. Forecasts are thereby considered to help managers timely realise short- and mid-term tendencies regarding the development of the market. Rolling forecasts are prepared by means of an online forecasting tool, which also accounts for relevant market information such as the purchasing behaviours of customers and information about main competitors. Based on these rolling forecasts, marketing resources, personnel resources, and capital expenditures are controlled. Interviewees argued that forecasts are accepted control tools because they also allow for collecting evidence on the capacities and resources needed prospectively. Besides TMAT meetings, Quarterly Operational Review Meetings are also held. At these meetings, local managers and management accountants, responsible area managers, and board members [*Vorstandsmitglieder*] analyse and discuss market developments, quarter-end accounts, forecasts, and the positions of main competitors.

D.5.3 Meta-rationality, reflexivity, and critical actors

Within the case firm, business planning and budgeting are closely connected because the business plan serves as the starting point for the budgeting process, which, in turn, is considered important for the execution of the business plan. The general business planning process for the whole group is coordinated at the headquarters, especially by the management accounting department. Management accountants, for example, predetermine the main planning premises, which, in turn, build the starting point for the drawing up of local business plans and budgets. The predetermined planning premises are, however, not sacrosanct but rather serve as initial guidelines for planning and budgeting, which are basically open to be challenged. It can, therefore, be argued that planning premises do not fully constrain local management teams but rather serve as the starting point for challenging the headquarters' proposals by means of providing profound counterproposals. Profound, in this context, means that if changes are suggested by local managers, then they are obliged to allege the concrete reasons for their suggested changes in a conceivable way. Moreover, they have to present and defend their counterproposals in front of the headquarters. Thus, it can be interpreted that planning and budgeting inherently encourage local managers to critically think about their businesses as well as their own thinking and acting patterns within the firm.

The drawing up of the budget takes place in the local subsidiaries and when it is drawn up, the results have to be presented [at the headquarters]. They [local managers] don't have to stick to the premises but if this is the case, they have to present a good deal of evidence. So when they just say: "We can only manage 10% less than the premise."... OK, but why? (P20, 11)

Since deviations from initial premises have to be defended and underpinned by profound arguments, local management teams are encouraged to think critically about their businesses and about *what* they are capable of achieving as well as *how* they can achieve it. To present such profound and convincing counterproposals, local managers actively deploy management accounting techniques. In light of this, local managers also recounted their close relationships with their management accountants and argued that they purposely work closely with them because they are considered to have an alternative perspective on the business, which is, in turn, capable of challenging managers' perspectives.

We talk very openly, very transparently here, because if not, it is impossible. And of course, the controller is very privileged and it is necessary to listen to [her/him], because in [her/his] theoretical world there are many, many things that are very, very good ... I mean controlling [management accounting] comes from the numbers side. We talk about the theoretical world. But

this combination, I think, is really good. I mean, it is not interference; for sure it is not. It is simply ... assistance ... you have very good input and take it into consideration (...) or we can discuss. (P27, II)

The quote above indicates that management accountants' "theoretical" perspectives induce managers to also reflect upon their businesses from a numerical perspective. In turn, this helps managers avoid a rather non-reflexive view of their businesses. In this sense, management accounting provides an alternative *regime of justification* (Boltanski and Thévenot, 1999) or a rationality that provides "a different criterion against which circumstances, actions, statements, or other practices can be judged" (Messner et al., 2008b, p. 70). Thus, management accountants' "theoretical" perspectives, mentioned in the quote above, refer to the meta-rationality represented by management accounting, which goes beyond the individual perspective of a specific manager. It can thus be argued that encountering different perspectives or rationalities serves as a platform for managers to reflect on their own businesses (Messner et al., 2008b).

Whereas local managers and management accountants are operatively involved in drawing up local business plans and budgets, management accountants at the headquarters are mainly responsible for coordinating the overall planning and budgeting process. However, beyond the mere organisation of the organisation (Ahrens, 1997), they are also responsible for challenging, approving, or rejecting the budget proposals submitted by local managers. As critical actors, they are thus involved in and even influence the business planning and budgeting process.

We've a strong influence on the budget. (...) We prepare the premises, but we also take the lead. We control the whole process and thus we're actively involved. We, that is my colleagues and I or [P19] and I, comment on all the budgets – and we are talking about 30 budgets for this year – which are submitted to us and then we send them back to the subsidiaries and say "No, it's not possible, you have to change it" or "That's OK". Afterwards, the budgets are sent to [P3]. So based on the whole meeting structures we're deeply involved in controlling the subsidiaries. (P20, II)

In the interviews, I even challenged this apparently critical role of the management accountants, especially in the context of business planning, which may be considered to be an inherently strategic task that might basically be reserved for managers. However, managers interestingly recounted that they not only agree but even willingly hand over a part of their responsibility for business planning and budgeting to management accountants. The following quote illustrates that managers seem to associate management

accountants with specific characteristics, which, from their perspectives, differ from those they ascribe themselves and that also legitimate the critical role of management accountants.

Of course, business planning is strategy par excellence, which then flows into the operative execution, but I feel that in [the management accounting department] it is in good hands because controllers are people who think rationally and who are also prosaically minded. In the sales department, it's like ... well, I'd not say that we're thinking only in the short-term but of course, the long-term perspective is in good hands in the controlling department and with the input of the sales department, I think, we've a very good combination. (P16, II)

In this sense, sales managers, compared with themselves, consider management accountants to be more rational and thus are seemingly willing to hand specific tasks over to them.

I think the controller belongs to a stock that is soberer and that is less overawed by the products like, for example, a salesperson is (...) Controllers are soberer ... they reflect first and shoot afterwards. (P23, II)

People always say that we should draw up the budgets, but we strongly refuse to do that ... they [local managers] should do it on their own. I mean, we can provide guidelines, we can explain what has already happened, and we also say what we think will happen in the next year ... but at the end of the day, every entity must draw up its own budget. But they still oftentimes state: "You know better than we do, so please draw up the budget!" (P21, II)

Most managers explicitly referred to the critical role that management accountants, from their perspectives, should enact within the firm. Managers also recounted that they not only expect management accountants to act as intimate and informal discussion partners but also proactively criticise their managers and even interfere if they feel that their managers are not acting in an appropriate way.

The controller must be the counterpart of the manager ... the sparring partner with whom the manager can discuss informally about the business and where it may take one, and also how it generally looks like. But [s/he] also has to have the knowledge to be able to say to the manager: "I think what you do is wrong, you shouldn't do it." That's what I basically expect from a controller ... [s/he] has to be a co-manager. (...) But when it comes down to the final decision, the sales manager must act ... but [the manager] also has to have, at least, someone on [her/his] side to discuss with and to exchange experiences. (P9, II)

Based on this critical role, management accountants are considered to be supporting managers' self-reflexivity and supporting them in enacting specific operations on their thinking and acting to align it with a meta-rationality. As illustrated in the quote below, this is also what managers think differentiates management accountants from mere bookkeepers. In addition, managers argued that this critical role also ascribes management accountants legitimacy to exist within the firm.

I think the controller plays an important role in terms of rendering everything transparent that is measurable. What was going well and what was not? (...) But the other important task of the controller is to show how we can improve, because otherwise I would just need a tool for analysis, which could basically be provided by the bookkeeping department or whoever and then I wouldn't need a controller. (...) Of course, in the end the controller is not a marketing expert or whatever but with [her/his] common sense [s/he] can suggest ways in which we can go. And it is

very good to have someone with an external perspective who makes suggestions on which you can reflect. (P15, II)

The following quote illustrates the critical role management accountants at the headquarters take up vis-à-vis local and regional managers. Nevertheless, it also indicates that this critical role not only depends on the management accountants themselves, but especially on the managers and whether they accept or ascribe this role to the management accountant or not. The actual ascription of a critical role to the management accountants has thus no “natural” character inherent in the management accounting profession. Rather, it depends on managers’ general willingness to have a critical counterpart on her or his side.

Some [managers] have problems accepting that controllers have better information than they have and don't accept [them] as counterparts but rather as someone who has too much influence on their development. (...) For me, I think, it's OK. I fulfil this role because I have to ensure that the numbers that I submit are reliable. (...) But basically, I think it is very normal because we have to represent different functions and perspectives and we play it out, deliberately. (P19, II)

D.5.4 MBO and managers' acting on the self

In previous research, management accounting has been described as a disciplinary and normalising technique. In this section, I aim to extend this perspective by shedding light on its capability to function as technologies of the self. Based on the case study, I present an empirical example illustrating that MBO functions not only as a disciplinary technique, but from the perspective of those who set targets for subordinates, also as a trigger for self-disclosure and self-examination.

In the case of SANITA, business plans and budgets are tightly coupled with an MBO system, which is linked to firm member’s compensations. Thus, the more an employee migrates towards a management position, the higher is the proportion of her or his compensation. In this sense, Covaleski et al. (1998) depicted MBO as a “normalizing accounting technique” (p. 296). If one interprets the functionality of MBO merely from the perspectives of subordinates or employees, it can be argued that it functions as a disciplinary and normalising technique that imposes a firm’s objectives on its members and thereby influences how they think and behave. Looking, however, at the actual process of how managers

set objectives for their subordinates, the case study reveals insights that go beyond merely considering MBO as a technique of disciplinary and normalising control.

For me, it's not crucial whether I, at the end of the year, offer an employee a bonus or a supplementary premium or not or whether [s/he] has really achieved [her/his] targets or not. But [MBO] forces the superior to sit down and reflect: "What do I actually expect from my employees?" For me, that's the prime benefit of MBO. I have to take time for putting down in writing those things, which I am, in a way, already aware of ... and I have to say "OK, relax, what do you really want your subordinates to achieve?" And I really think that this is the prime benefit of the whole MBO process. If I, at the end of the year, still offer a subordinate a bonus, saying "well, you know, Lehman Brothers ... that was not your fault, so I still offer you the sales bonus" ... I mean, this is just a question of leadership style. (...) But I think it [MBO] is essential. I can see it, for example, in the firm my wife works for. Every week, the boss is on the lookout for another "coloured dog" and all the things that [s/he] requests from my wife and in which direction she's sent ... and at the end everyone is frustrated because nothing has come out of it. The boss is frustrated, my wife is frustrated, and the firm hasn't advanced. And I also said to [my wife's boss]: "Gosh! Take some time to sit down and to reflect ... what are the three major things ... just focus on these three things." But [s/he] is just not able to do this. And for me, this is an important benefit that we have. (P9, 11)

Based on the quote above, it can be interpreted that MBO encourages superiors to disclose and critically scrutinise what they actually expect from their employees and additionally what they consider to be reasonable objectives, which should be used to guide or control employees. In order to set reasonable objectives for their subordinates as well as to act in accordance with the prevailing meta-rationality, superiors first have to decipher themselves to disclose their own preferences and expectations. To do so, managers have to critically think for themselves by constraining their actions in terms of focusing on the specific directions they want to take and translating these into guiding objectives for their subordinates. From a Foucauldian perspective, it can be interpreted that in order to be able to set reasonable objectives for their subordinates, managers, first and foremost, have to initiate a thought process to disclose their own preferences and expectations, even though these may, subconsciously, be connected to a broader structure.

Accordingly, based on the case study, it can be interpreted that MBO affects managers in two different ways. On one hand, they are subject to MBO but, on the other hand, they can set objectives for their subordinates and thus, at least in the first instance, demonstrate what they expect from their employees. In light of this, MBO is not *merely* a disciplinary normalising technique. It also triggers processes by which means managers reflect on their own preferences not only those of their subordinates to try to constitute themselves as "good and fair managers". Based on the quote above, it can thus be argued that managers have to take care of the self, in terms of reflecting on their own intentions,

preferences, and expectations in order to be able to take care of their subordinates. This, in turn, indicates that management accounting techniques have the potential to support managers' work on the self.

In order to broaden our understanding of the use of management accounting as a technology of the self, in the following section I aim to delve into SANITA's management accounting and control systems in order to explore this self-reflective function in more detail.

D.5.5 Management accounting techniques and managers' work on the self

Based on the SANITA Business System, management accounting has developed towards a technology fostering a specific mode of governance within the case firm. Management accounting techniques are used by firm members on different levels and in different functions to reflect on their own acting and thinking patterns. Against the background of increasing uncertainty in the firm's environment, interviewees mentioned that management accounting techniques are used to impute a certain degree of certainty to specific actions by rendering their potential outcomes and consequences transparent. In this sense, the case study shows that actors especially use these techniques in situations where normative obligations are not clear (Burkitt, 2002). The quote below shows that managers rely on calculative techniques in order to deal with the complexity, uncertainty, and doubt of the business environment. It also illustrates that managers consider management accounting to help them emphasise and guide specific actions.

Well, I always ask myself: "Gosh, how can I orient myself throughout this chaos and how can I know exactly the direction in which we're moving. It is like driving along a freeway at 200 kmph on black ice in the fog and the car starts spinning. Then, you're still moving forwards, but you don't know where you exactly are and whether you have to steer the car to the right or the left. (...) [Without the numbers] I wouldn't know where I should fly. Everything is so complex and fast moving. (...) And thus you have to orient yourself and to do so, I need the numbers. (P9, 11)

In view of that, managers' reliance on management accounting techniques provides a basis for their self-control. Therefore, managers willingly draw on management accounting techniques and numbers in order to cope with the complexity and uncertainty surrounding them. However, by doing so, they also devolve a part of their decisive power onto calculative techniques and, consequently, they are seemingly willing to relinquish a part of their individual freedom as managers by subordinating themselves to the truth

presented by management accounting. The quote below indicates that SANITA's managers willingly use calculative techniques in order to act upon themselves and to deliberately contrast their operative knowledge as managers. From this perspective, the use of calculative techniques ensures that managers' actions are considered to be legitimate and not only as a result of a management by "entrepreneurial gut feeling".

I think that an entrepreneur has to be familiar not only with, as in our case, brass or sheet but also with numbers because otherwise [s/he] will die beautifully or declare bankruptcy. I've a good relationship with the numbers. I need the world of numbers to assure that we can make better decisions ... which otherwise would be made from the entrepreneurial gut ... and from my perspective, that would be too risky. (P8, 11)

Even top managers recounted that they use management accounting to reflect on the analytically revealed cause-and-effect relationships assumed to exist out there in the business environment. The following quote illustrates that even top managers work closely together with management accountants and that they examine past achievements to assess future possibilities.

I think controlling [management accounting] is a support function ... it's basically about reducing things to its simplest elements and reflecting on cause-and-effect relationships. Of course, the controller is not able to say that this or that is going to be successful, but making the numbers more transparent supports my own activities, for example, in terms of bringing myself to let go or not doing certain things. (P4, 11)

Interestingly, the quote above shows that, even though managers are aware that management accountants are not able to read the firm's fortune, they still rely on the apparent transparency created by management accountants. In this context, the quote also indicates that managers draw on the calculations and the corresponding perceived transparency regarding the outcomes of specific actions to constrain themselves and thus, in any case of doubt, even to abandon some of their ideas. Foucault (1982) argued that "[m]aybe the target nowadays is not to discover what we are, but to refuse what we are" (p. 785). From this perspective, it can thus be interpreted that by relying on management accounting techniques, SANITA's managers, in a sense, try to refuse what they basically and inherently are, namely innovation-, product-, or customer-oriented managers, or even a sort of entrepreneurs. This is especially the case since entrepreneurial thinking is an essential part of the firm's culture and it is also the way most managers within SANITA were socialised. However, as mentioned in the sections above, based on the past imbalance between innovation and financial reality, more formal management accounting and control

systems were introduced and the positions of management accountants were strengthened. As a result, there was a shift in the firm's power structures. Being a legitimate and responsible manager was no longer merely determined by being familiar with "sheet or brass", but also with numbers, calculations, and economic thinking. Thus, following recent works that draw on the use of the later Foucault work in accounting research (Kosmala and McKernan, 2011), it can be argued that the specific form of "care of the self" executed by SANITA's managers by relying on management accounting techniques directly corresponds with a "care of the others" in how managers do not only follow their own individual dispositions, preferences, and intentions but also strive to take responsibility for the entire firm by drawing on a discursively legitimate truth or meta-rationality. In light of this, managers recounted that they do not only decide based on entrepreneurial thinking and gut feeling, but that they feel that they have to draw on reasonable techniques. The interviews thus showed that the inherent power of management accounting works not only from the outside but especially from the inside, meaning that it seems to be deeply internalised by managers. In this light, the interviews showed that the internalisation of the disciplinary power of management accounting even affected managers' identities. In this sense, some managers, interestingly, recounted that they consider themselves to be a kind of management accountants and that, in their daily work, they strongly rely on management accounting techniques. Moreover, a large number of SANITA's managers even visited courses at professional education institutions for management accountants with the aim of broadening their knowledge of management accounting techniques.

I once mentioned for fun that I actually wanted to become a controller. (...) We work very closely with the controlling department and try to develop tools in order to decide how we can move on and what instruments of control we have. (P9, I1)

Interviewees also recounted that they consider calculative techniques to be indicators of an efficient firm.

We are focused on the numbers because this is also part of the process to ensure that we are an efficient firm. (P15, I1)

It can thus be interpreted that the use of calculative practices supports or even enables managers to consider themselves and also to be considered by others to be rational actors and, accordingly, to gain or maintain legitimacy. The case study, in this sense, showed that some departments – especially marketing and corporate communications – proactively initiated projects to develop specific calculative techniques to

translate their performances into management accounting figures. These figures, in turn, should reflect their developments and achievements and render their value contributions to the firm more transparent. As the quote below shows, management accounting is mobilised by marketing managers to problematise and critically reflect upon measures and actions that they themselves initiated.

Currently, we're working on a system for measuring our marketing performance, which enables us to render the whole process of launching a new product ... namely advertising campaigns, fair attendances, Internet presence and so on ... more transparent and which allows the use of specific metrics so that we can't only see the marketing expenses and then only the sales figures but that we can rather "fillet" the whole process to, for example, say: "In sum, this advertising campaign was OK ... sales development was OK ... but for the next time we, for example, don't need a specific product launch event because it doesn't add value because the respective customer didn't attend this event and so on. (P24, I1)

A further example of SANITA's head of corporate communications shows that such forms of calculative techniques are not merely externally imposed on managers but rather developed by them to monitor and control and especially to be able to give an intersubjective account of themselves.

[Our head of corporate communications] uses [her/his] own performance measures. For example, [s/he] uses a self-developed evaluation tool for publications or mentions in newspapers or magazines by which means [s/he] developed a scorecard for A, B, and C types of media and evaluates the size and quality of every publication. Afterwards, there's a ranking based on a specific points system so [s/he] can see how successful we've actually been. (P24, I1)

At the end of the day, we need documentations about the things we've done. We receive a lot of requests such as "Tell me, what have you achieved here and what have you achieved there?" And if you just shrug your shoulders it reflects on the controlling [management accounting] techniques that we use. (...) In terms of controlling we are good in those areas that deal with our core activities and that can be measured by sales figures ... but when it comes to softer areas ... to communication ... this is difficult to measure. What is the contribution of [the corporate communication department]? That is why in the past we've started numerous actions without proper planning and it wasn't until two years ago that we started to set ourselves goals and to develop a roadmap ... but we still find it very difficult ... we've developed an action plan but however actual goals are still missing to link the action plans to the strategy and if goals are not clear then I just don't know how to measure them. (P11, I1)

Accountability thus seems to play an essential role and managers strive to be accountable. However, in the context of "softer" areas such as marketing and communications, managers seem to be keener to translate the achievements made in these areas into management accounting numbers than management accountants are. The following quote illustrates that SANITA's accounting people, even P3 as the main driver of management accounting and control change within the firm, are aware that translations into management accounting figures or numbers are not in every case appropriate, especially in "softer" areas such as marketing.

We spend an incredible amount of money on marketing and it's just a matter of opinion how to measure marketing success. I spend a lot of time thinking about it but the problem is that you

cannot measure it. In the end, however, it's trivial. You have to talk to your customers and you have to ask them how they actually perceive your advertising presence, your presentation at the point of sale, ask them how they like your brochures, or price lists. And when you find that your customers are enthusiastic then it seems that your marketing expenditure is being well spent. (P3, 11)

Nevertheless, the interviews indicated that marketing managers feel that if calculative techniques are not available, then the examination of their performances is merely subjective. In addition, in order to work towards targets and to control their actions, they feel a need for “objective” systems and techniques that guide them, even though this kind of guidance is executed by management accounting techniques.

When the output of my work can't be measured then I don't know if the output was good or bad. And if this is the case, then my subordinate can assess my work as [s/he] likes but, in the end, it's merely subjective. But when there are specific parameters or measures on which basis I, for example, know that I have to increase brand awareness by x percent, then I have a target and thus can work towards it and also be measured against these targets. (P24, 11)

Narratives about the development of calculative techniques also show marketing managers' requests for critical actors. The following quote indicates that managers demand “unbiased” actors to help them measure and monitor their performances. It can, therefore, be interpreted that managers try to escape their own habits and dispositions, which, from their perspectives, would otherwise distort self-examination.

You really need someone who takes these tasks away from you. And this, of course, has a big advantage: this person has an objective view on that and thus [the performance measurement] is maybe more objective than that what you did on your own. (P11, 11)

It can be said that managers' subordination to management accounting has enabling effects in terms of providing them with specific techniques and systems of accountability, which, in turn, enable them to gain legitimacy and even strengthen their *raison d'être* within the firm. In addition, the interviews indicated that managers perceive further enabling effects. The following quote illustrates that managers, paradoxically, consider that management accounting systems confer them autonomy. This particular form of autonomy is, however, demarcated by a specific structure, which guides managers' actions.

Controlling [management accounting] is a specific measurement system that can be used to ensure that you don't infringe framework conditions in one or other direction. (P17, 11)

Concerning this specific form of guidance, interviewees oftentimes used a “crash barriers” metaphor and recounted that they feel that management accounting systems provide them with the certainty that how they think and act is legitimate. The quote below indicates that managers feel that if they stick to the

respective barriers, they can act in a structured but – at least within the boundaries – still autonomous way. Although they accept the constraints provided by management accounting systems, managers nevertheless feel that there is still a spark of freedom and certainty that they can enjoy.

If you have the respective systems in place, then there are crash barriers, within which one can move. On one hand, the restrictions are visible, but also you always know precisely where the right path is. All the policies create an extent of self-responsibility of our employees. Nobody is going to bite their heads off if they move within the crash barriers ... that's alright. They don't always have to ask first and it also creates safety for them in negotiations with customers. If you don't have these systems then you always have to make individual decisions. Speaking as a salesperson, I know what to confirm and what not to confirm. I would rather feel cornered knowing "Everybody is doing whatever they want". (P16, 11)

Interviewees also mentioned that specific guidelines, which apply to all firm members concerned, also ensure that all actors behave in the same ways, which, in turn, increases certainty and reduces complexity.

D.6 Discussion

In this chapter, I showed how managers either by their own means or with the help of others – especially management accountants – deliberately and seemingly willingly engage in their own monitoring and examination. Based on the case study, it can be argued that management accounting techniques are used by managers in order to transform themselves into ethical subjects, i.e., subjects whose beliefs and behaviours are aligned with a discursively legitimated truth (Styhre, 2001) or a meta-rationality (Jørgensen and Messner, 2010). However, if this is the case, one may ask what it is exactly that makes management accounting such an ethical practice. And if so, what separates it from other mundane practices within the firm? To elaborate on the ethical character of management accounting, in the following I will discuss the case study findings against the background of the four criteria denoting ethical practices (Davidson, 1991; Foucault, 1986; Kosmala and McKernan, 2011), presented in the theory section of this chapter. Afterwards, I will discuss the apparently enabling effects of management accounting as well as the freedom that their use seemingly grants to managers.

Defining management accounting as an ethical practice, the first question might be whether it can be described as a *self-forming activity*, namely a practice that enables transformation and if so, what the concrete transforming activity actually is. In the case analysis, managers mainly referred to the calculative

techniques of management accounting. Thus, one might ask whether the self-forming activity is calculating or counting per se. However, there is more to management accounting than merely the act of calculating and quantifying. Even though it tends to lead to a resulting translation of social phenomena into a numerical language, management accounting generally shapes a specific way of thinking. Essentially, it can thereby be considered to be a practice that acts upon how managers think about their businesses and, consequently, how they themselves think and act. Based on self-exposure, carrying out accounting means giving an account of oneself (Ahrens, 1996; Butler, 2005; Messner, 2009; Roberts, 2009). In the case of SANITA, this can, for instance, be illustrated in the empirical episode of the development of appropriate performance measures for the marketing and corporate communications departments. From the perspective of the marketing managers who initiated the design process, it is about the development of an appropriate vehicle to reveal what they have achieved and to show how this, in turn, contributes to the firm. The specific action of giving an account of oneself is, in turn, guided by a particular meta-rationality. As a result, I argue that the actual self-forming activity is not *counting* in terms of quantifying per se, but as described above, *accounting*. What about the ***ethical substance*** of management accounting techniques, namely the domain of ethical judgment (e.g., actions, desires, or emotions) conducted by the use of management accounting? It may be stated that the domain of ethical judgment lies at a cognitive and intentional level. In the case analysis, for example, I showed that managers who are responsible for setting objectives for their subordinates first have to decipher and disclose themselves in terms of revealing and examining what they actually expect from their employees in order to set them appropriate objectives, which are translated and communicated in the form of management accounting figures. Moreover, pointing to preferences, desires, or decisions (as a kind of cognitive action) as an ethical substance of management accounting, the case study showed that managers use management accounting as a technique to examine whether their ideas should be realised and thereby act upon their intentions, preferences, and decisions. It can also be argued that the use of management accounting techniques acts upon managers' emotions. Emotions are involved when management accounting techniques enable managers to give, at least from their own perspectives, appropriate accounts

of themselves or whether they just feel to “get a raw deal”. The *mode of subjectification* associated with management accounting, namely the way actors are actually incited to realise moral obligations, seems to be grounded both in practical reason (Burkitt, 2002) and in a deeper desire to achieve the status of rational and legitimate actors. Accordingly, it can be argued that the mode of subjectification associated with management accounting is directly linked to a corresponding *telos*, which is “the kind of being to which we aspire when we behave morally” (Davidson, 1991, p. 229) or in accordance with a discursively legitimate truth (Styhre, 2001). Thus, it can be interpreted that by using management accounting techniques, managers undergo a process of subjectification.

As a result, management accounting can be considered to be an ethical practice by which means managers develop a relationship with themselves. However, it is also a technology that creates an intersubjective financial reality (Vollmer, 2007). From this perspective, because of its inherently reality-constructing nature (Hopwood, 1987; Morgan, 1988), it is used by managers to construct themselves in a specific way. However, the case study illustrates that this does not inevitably lead to a form of decoupling between formal structures and actual activities as a result of impression management. Based on its internalisation, management accounting seems to be used within the case firm as an effective technique of control (Dambrin et al., 2007; Hasselbladh and Kallinikos, 2000) as well as self-control. In addition, the case indicates that managers use management accounting as a critical meta-practice by which means they examine their own thinking and acting patterns against the background of a meta-rationality, which, in turn, supports the legitimising of this thinking and acting. The case study also shows that most managers within the case firm expect management accountants to take up a critical role and thus to actively challenge and criticise their managers. However, it also indicates that the actual ascription of such a critical role is still dependent on a manager’s general propensity to take criticism and to engage in self-reflexivity to break open her or his habitualised ways of thinking and acting. Interestingly, despite the multitude of studies that has dealt with reflexivity, management accounting practices and the work of management accountants have rarely been discussed or even mentioned in this field of research (Johnson and Duberley, 2003; Jordan et al., 2009; Yanow and Tsoukas, 2009). Thus, further research may address

this topic to study management accounting as a technique that not only allows for managers' reflexivity-on-action and reflexivity-in-action (Yanow and Tsoukas, 2009) but, based on its oftentimes anticipatory and projective character, is also a technique for *reflexivity-before-action*. This is because management accounting also acts upon the preferences and interests of managers and thus the phase before actions are actually performed. Moreover, future research on the critical role of management accountants may broaden our knowledge of the relationship between management accountants and other members of the firm.

Compared with previous research, the study also shows some contrary findings, especially with regard to Covalleski et al. (1998). Whereas Covalleski et al. (1998) described MBO as a disciplinary normalising technique, I found that it can also be used as a technology of the self, at least by managers who are responsible for setting objectives for their subordinates. To do so, managers must first decipher or expose themselves with regard to what they actually expect from their subordinates. Managers thus strive to achieve a specific kind of being. In other words, by reflecting on their preferences and expectations managers aim to construct themselves not only as rational and legitimate actors but also as fair superiors. From this perspective, the study also showed that in some cases managers even tend to act as critical actors of their own.

Overall, I argue that although management accounting can be considered to be a critical meta-practice (Messner et al., 2008b), which supports self-reflexivity and that management accountants can be understood as critical actors, the term *critical* in this context seems to assume a somehow paradoxical character, especially if one uses the term not merely in a pragmatic (Messner et al., 2008b) but in a paradigmatic way (Burrell and Morgan, 1979; Chua, 1986). The case study indicates that the aim of critique is to align the thoughts and actions of managers with a meta-rationality or, from a Foucauldian perspective, a discursively legitimate truth. Embedded in management accounting techniques, critique is thus used as an ethical practice. The actual form of critique that management accounting offers is, however, a normalising one, and that is why it should rather be described as a critical normalising meta-practice. The case study showed that managers tend to use management accounting techniques to critically

examine their own preferences, expectations, and intentions towards others. Nevertheless, this kind of critical examination is still linked to a general alignment with a meta-rationality, which has an inherently normalising functionality. As I have observed in the case of SANITA, this form of normalisation is, however, not merely directed at producing “corporate clones” (Covaleski et al., 1998). It is rather about building a common mindset and ensuring that actors follow what Jones and Dugdale (2001) called a “bottom-line mentality”. Based on that, management accounting, however, facilitates normalisation throughout the firm.

Although management accounting can be theoretically described as a normalising technique, the case rather showed that interviewees still perceive certain degrees of freedom and autonomy, at least when they do not transgress or violate the existing rules or guidelines provided by management accounting or even management accountants. Kosmala and McKernan (2011), in this sense, described “practices, such as management accounting, as powerful governance devices, which, by respecting the freedom of the subjects, make them responsible in a way that dominated individuals cannot be” (p. 387). However, degrees of freedom can still depend on the respective context or the intended or situated functionality (Ahrens and Chapman, 2007) of management accounting and, above all, on an actor’s individual definition and perception of freedom. If every social phenomenon is socially constructed, why should freedom be objective? If this, however, is the case then the question arises of how freedom in the context of management accounting and control should actually be studied empirically. Is freedom just a synonym for an actor’s opportunity to choose from a predefined repertoire of actions or is it something completely different, which *really* makes a difference in one’s own life or in those of others? Despite recent claims for research on freedom in an accounting context (Kosmala and McKernan, 2011), it is unclear what research designs might look like. Can conflict, for example, be considered to be a proxy for or at least an indicator of freedom and an arising space for agency (Cowton and Dopson, 2002) or are there other ways to analyse the freedom that one can enjoy? To answer this question, more empirical research seems to be required in order to broaden our knowledge not only of how to identify or “measure” degrees of freedom but also of the ontology of freedom in the context of the disciplinary power of management accounting.

As mentioned above, the case study provides empirical evidence of the use of management accounting as a meta-practice that exerts a systemic form of power that shapes the identities of the actors involved (Lawrence, 2008; Lawrence et al., 2001). Nevertheless, referring to the abovementioned aspect of degrees of freedom, if one could avoid management accounting because of its inherently normalising character, then what might an effective alternative look like? Which other techniques can be used by managers to critically examine and to give accounts of themselves? From this perspective, the performativity of management accounting numbers or figures (Callon, 1998) seems to play a dominant and still increasing role in our society. Compared with spoken or even written words, management accounting numbers or figures construct a specific reality in a seemingly objectified form (Hasselbladh and Kallinikos, 2000) and help managers control a firm as well as themselves. Paradoxically, management accounting has an enabling effect, because without these techniques managers oftentimes do not have alternative techniques at their disposal to act upon and construct themselves in a way that is considered to be intersubjectively observable. Management accounting thus seems to be so deeply institutionalised and taken-for-granted that it makes the development of alternative technologies fairly impossible. In the case of SANITA, managers strongly rely on management accounting because instead of having the feeling of being forced to do so they feel that they subject themselves to these practices and techniques. Thus, the creation of the calculable and calculating subject (Miller, 1992) is a result of the internalisation of management accounting as a technology of disciplinary normalisation but especially as a technology of the self, which offers its users possibilities for self-reflexivity and self-control, and connotes certain degrees of freedom.

Although the firm is considered to be innovative-, product-, and customer-oriented, based on the internalisation of management accounting managers within the case firm do not merely decide and act viscerally. Rather, they heavily rely on management accounting techniques to underpin their thinking and acting. Moreover, they expect management accountants to critically examine their managers from a management accounting perspective. As shown in the case study, given the power of management accounting, managers, at least to a certain extent, even aim to relinquish what they inherently are

(Foucault, 1982). In light of this, I surprisingly encountered a great number of managers who even considered themselves as kinds of management accountants and had already visited or at least intended to visit courses at professional education institutions for management accountants. Most managers even understood management accounting – contrary to bookkeeping – as an original management task. It can, therefore, be argued that the increasing institutionalisation of management accounting drives the creation of a specific form of actorhood (Hasselbladh and Kallinikos, 2000; Meyer and Jepperson, 2000), which can be described as the self-governed and self-accounting manager. In the management accounting literature, some authors have already mentioned the hybrid roles of management accountants (Burns and Baldvinsdottir, 2005; Caglio, 2003). The case of SANITA, however, shows that hybridisation can also be found in a management context. Interestingly, the present study further indicates that this drive towards the use of management accounting techniques is facilitated by managers even more than it is by management accountants. In the interviews, management accountants, interestingly, talked more often about the susceptibility of calculative practices and even argued that numbers cannot control all circumstances. Further research may thus explore if and how managers and management accountants problematise calculative techniques in their daily practices and which alternative techniques they raise in such situations, if any. This kind of research may also contribute to recent calls for research on “intelligent” forms of accountability (Messner, 2009; Roberts, 2009).

On the whole, it can be argued that the study of the absence of management accounting (Catasús, 2008), if it really exists in practice, and of the alternative techniques used to construct reality in terms of rendering specific aspects visible as well as alternative forms of accountability (Messner, 2009; Roberts, 2009) are still waiting for further research. Foucault mentioned techniques such as confession, writing, or meditation as technologies by which means individuals can reveal and examine themselves (Foucault, 1986; 1988). Although most of these practices tend to be present in different processes of preparing accounts, a renunciation from merely focusing on calculative techniques may enhance our knowledge of the micro-functionalities of management accounting as well as the sociology of numbers (Vollmer, 2003; 2007). It can be argued that management accounting in the sense of giving an account of oneself is not

solely tied to the presentation of abstract figures but rather to the actual process of creating and presenting an account (“the journey is the destination”). Thus, I argue that studying how and why specific forms of management accounting are crafted and used may help researchers better understand the core of management accounting techniques as well as the enabling and constraining characteristics perceived by its users. Consequently, I encourage more in-depth case studies that draw on Foucault’s later writings. An interesting question for further research might be to identify the techniques that actors use to act upon themselves that are not associated with a broader truth or rationality. If one could identify such techniques, the question would then be whether they can be deployed by actors along their path towards achieving a specific kind of being that only corresponds to the need of the individual actor itself and no broader structure. Even though one might argue that such a constellation may represent an actor’s perfect state of freedom, it would be fairly impossible for her or him to gain legitimacy. In this sense, legitimacy presumes the existence of an overarching social order in which context can be conferred. Moreover, legitimacy can only be conferred by others within a society. Nevertheless, shifting the research focus towards the emotions, feelings, desires, and perceptions of managers confronted with management accounting techniques may thus produce in-depth insights, which may help us better understand the ethical dimension of management accounting and why it is internalised by managers. This would further help us explore to what extent managers’ *care of the self* by means of management accounting techniques also supports their *care for others*.

The case study is limited because it took place within just one firm, and there may be differences in the use of management accounting practices in other companies. Thus, comparative studies on the use of management accounting by managers might further our understanding of the power of management accounting. Moreover, my findings are based on interviews and documents. Findings based on ethnographic studies or participative research might allow for a deeper analysis of the use of management accounting as a technology of the self, especially with regard to the ethical dimension of management accounting. Furthermore, I focus on management accounting practices and techniques. Hence, further research may study other alternative forms of accounting such as written reports or presentations and their

potential to serve as technologies of the self. Moreover, the study is a cross-sectional one, and as such the managers' constructions of or transformations towards ethical subjects can only be theorised based on narratives. Longitudinal studies may further our knowledge of the transformations of managers based on their uses of management accounting. Moreover, ethnographic research on management accountants' critical role is needed to corroborate the findings presented in this chapter of the dissertation. This kind of research would deepen our knowledge of the situations in which managers actually consult with management accountants and call on critical examination. In addition, it would further our knowledge of how managers actually cope with the critique offered by management accountants and how this critique affects their actions and positions within the firm.

E Concluding Remarks

E.1 General conclusions

The overarching research goal of this dissertation was to investigate and theorise the roles and practices of management accountants, especially those that depart from the so-called bean counter stereotype (Bougen, 1994; Friedman and Lyne, 2001; Järvinen, 2009). Overall, I picked up on Jönsson's (2009) call for research on the "more challenging and complex situations" (p. 232) in which management accountants find themselves in business practice. Considering that over recent decades, authors have mentioned the increasing appearance of management accountants in higher management positions (Armstrong, 1985; Granlund and Lukka, 1998b; Lambert and Pezet, 2011; Whittington and Whipp, 1992), the thesis contributes not only to *management accounting* but also to *management* research.

The case study illustrates that normative claims for management accountants to become business- and management-oriented are effective only if they are legitimated and internalised. The empirical results also illustrate how the roles and practices of management accountants are deeply associated with the work of managers. Therefore, managers' perspectives are especially important because managers use management accounting not only to control their subordinates but also as a technology to reflect upon and consequently to govern themselves. In light of this, the presented findings show that managers not only expect management accountants to criticise them, they even hand over original management tasks to management accountants. Furthermore, some managers identify with them and thus even consider themselves to be hybrid management accountants. The positive image of management accountants and their influential role within the firm thus seem to be grounded in the increasing diffusion and institutionalisation of management accounting practices and techniques that serve as taken-for-granted techniques of control (Dambrin et al., 2007; Hasselbladh and Kallinikos, 2000). In view of that, the case study presents an interesting empirical setting, which illustrates how the macro-discourse on business- and management-oriented management accountants has been translated and internalised at the micro-level. Additionally, it presents a setting in which managers legitimated and management accountants internalised

a professional role that enables them to be involved in and actively influence the performances of the firm's actions in a way in which they can exert agency, namely they can "'make a difference' to a pre-existing state of affairs or course of events" (Giddens, 1984, p. 14).

In general, the case study enhances our understanding of the roles and practices of business- and management-oriented management accountants. The use of institutional theory, practice theory, and concepts borrowed from Michel Foucault to analyse the different aspects of management accountants' roles and practices offers a profound basis for theorising the collected empirical data.

E.1.1 Research objective one

The first research objective was to investigate how the institutionalisation of a new professional role proceeds at a firm level. My findings thus contribute to the literature because contrary to previous studies (Burns and Baldvinsdottir, 2005; Reay et al., 2006) I investigated change that has not been initiated by embedded agents (Burns, 2000) but rather by an incoming change agent. Accordingly, the form of professional role change studied in this dissertation was not an unintended consequence but an intended process (Chreim et al., 2007). The analysis thus shows how legitimacy seeking for a new professional role and the mobilisation of power (Hardy, 1996) disrupts the meaning systems underlying the existing professional role and enables the institutionalisation of a new professional role and the reconstruction of management accountants' professional role identity.

Drawing on institutional theory and Hardy's (1996) conceptualisation of power, research objective one stresses the interrelatedness between legitimacy seeking and power mobilisation in the context of change agent-driven professional role change. The study thus follows recent calls to investigate legitimacy in the context of the role of management accountants (Järvenpää, 2007). It illustrates how external normative actors support internal change agents' efforts by providing externally legitimate and normative templates of behaviour. It also shows that normative actors not only confer external legitimacy to specific role concepts but also delegitimise apparently obsolete roles. The study thus shows that in order

to drive the institutionalisation of a new professional role of management accountants, the old one has to be delegitimised and, accordingly, discarded. My findings thus contradict the results of Goodrick and Reay (2010), who stated that professional role identity change requires arguments for the new role, which, however, do not delegitimise the past. Consequently, it can be argued that there might be differences in legitimacy-seeking strategies between various professional groups because Goodrick and Reay (2010) studied registered nurses, namely a professional group from the health care sector.

Concerning legitimacy seeking for a new role, the study shows that this can also be interpreted as a subtle strategy for mobilising power, especially the power of meanings (Hardy, 1996) that, in turn, drives professional role identity change. In other words, the study shows that external legitimacy supports internal change agents in mobilising the power of meanings as well as the power of resources, decision-making, and consequently the power of the system that finally leads to cultural change supporting the institutionalisation of a new professional role and the reconstruction of professional role identity. The study thus presents empirical insights into how institutional pressures affect life within the firm and stresses the role of power in this process (Lawrence, 2008). Overall, the case study contributes to the literature dealing with the micro-effects of institutional influences (e.g., Zilber, 2002) and thereby contributes to recent actor-focused institutional theory research (e.g., Dacin et al., 2002), especially to the literature dealing with professional roles (Chreim et al., 2007; Reay et al., 2006).

Moreover, the case study stresses the importance of modern information systems for management accountants. It supports previous findings (Caglio, 2003; Scapens and Jazayeri, 2003) but also contradicts others (Jack and Kholeif, 2008). The case study shows that besides releasing management accountants from routine jobs, ERP systems also enable them to strengthen their expert positions as gatekeepers of the firm's information base. In the context of an integrated ERP system, the expert image may be stronger than that in a non-integrated IT landscape, because in the latter context every department uses its own information systems and may thus also have its own system expert(s). The position as gatekeepers of the firm's information base strengthens management accountants' involvement in and influence on decision-making. However, despite having access to ERP systems, in order to maintain

information leadership, management accountants should aim to become and stay familiar with the techniques used to create and prepare information. It can be argued that despite the apparently increasing diffusion of the business partner role, reporting orientation is still important for management accountants because this still serves as a basis for business and management orientation (see Chapter C).

The findings of research objective one, however, contribute to management accounting research as well as practice. They stress the importance of external legitimacy for internal change agents. Thus, internal and external legitimacy seems to be an important resource for internal change agents. The results may also encourage normative actors to anticipate and critically reflect upon the possible effects of their work. Efforts aimed at driving a business- and management-oriented role may, for instance, meet contexts in which it may not be appropriate or even induce conflicts between management accountants and other firm members. For example, in small or less complex businesses (external) normative pressure may also demotivate management accountants who rarely have the required legitimacy, resources, or capabilities to act as business partners or critical actors. Although there may be no economically rational need to act as business partners, within such settings management accountants may nevertheless be demotivated because they feel antiquated (see e.g., Greenhalgh, 2000).

E.1.2 Research objective two

The second research objective was to investigate management accountants' engagement in business- and management-oriented practices. The findings contribute to the practice theory-oriented management accounting literature (e.g., Ahrens, 1997; Jönsson, 2009; Lambert and Pezet, 2011) and complement research objective one.

Drawing on practice theory (Schatzki, 2005; 2006), the case study findings show that in their daily work, management accountants are engaged in different forms of meta-practices such as business planning, budgeting, business and corporate development, and policymaking. Meta-practices are performed in order to structure and organise other practices and, accordingly, influence the performances of the actions of other firm members. Contrary to previous studies, my findings show that although

management accountants are mainly engaged in meta-practices, they are not detached from the firm's operational areas (Ahrens, 1997). They also show that in order to exert influence on the performances of the firm's actions, management accountants intensively mobilise the firm's strategy. Contrary to previous findings, management accountants, however, do so not only by means of quantification (Ahrens, 1997) but also on a "qualitative" basis in which context they actively participate in organising and structuring the firm's constituent practices.

Moreover, the study shows that management accountants' influence on the firm's constituent practices depends on internal legitimacy. Thus, management accountants have to experience and understand (i.e., grasp, theorise, or explain) the performances of the firm's actions. Internal legitimacy thus serves as a basis for management accountants' agency, which, following the definition by Emirbayer and Mische (1998) can be understood as the process of remembering the past and projecting the future in responding to present circumstances (Emirbayer and Mische, 1998; Feldman and Pentland, 2003). The findings presented on research objective two also stress management accountants' exclusive access to the firm's information base. As gatekeepers of the firm's information base, management accountants have access to, on one hand, practice memory (Schatzki, 2006), namely information about the past that motivates present actions, and, on the other hand, information about the future (e.g., forecasts or other forms of projections), which are associated with specific ends that have to be achieved. The case study shows that access to both information about the past and future projections enables management accountants to build up a profound understanding of the firm's constituent practices. It may thus be stated that future orientation is a characteristic that separates business- and management-oriented management accountants from those merely following the bean counter stereotype. The case study also indicates that the legitimacy to participate in structuring the performances of the firm's actions serves as a basis for internal coherence and prevents conflicts between management accountants and other professional groups within the firm (see e.g., Ezzamel and Burns, 2005; Vaivio, 1999).

E.1.3 Research objective three

The third research objective of this dissertation was to investigate the influential and critical position of management accounting and management accountants from managers' perspectives. The findings show that managers within the case firm use management accounting not only as a technology for governing others but also as a technology of self-governance and self-reflection by which means they align their own thinking and acting patterns with a meta-rationality (Jørgensen and Messner, 2010) or a discursively legitimate truth (Styhre, 2001). Thus, managers are seemingly willing to use management accounting as a so-called *ethical practice* (Davidson, 1991; Foucault, 1986; Kosmala and McKernan, 2011; Styhre, 2001) and as a technology of the self (Foucault, 1988) by which means they either alone or with the help of management accountants subject themselves to critical examination. In this sense, management accounting can be understood as a critical meta-practice (Messner et al., 2008b).

The case analysis further shows that, to underpin this thinking and acting, managers tend to drift away from their intuition and experience towards drawing on management accounting techniques. From a Foucauldian perspective, it can be argued that managers tend to discard or relinquish what they inherently are (Foucault, 1982), namely entrepreneurs, and rather act and tend to feel like management accountants. Some managers even explicitly argued in the interviews that they identify with management accountants and consider them to be more rational compared with other professional groups within the firm. The case study also shows that managers expect management accountants to actively criticise them and that managers may even hand over typical management tasks to the management accounting department.

Moreover, drawing on the work by Messner et al. (2008b) the case study illustrates that in its apparently critical form, management accounting exposes other practices to critical scrutiny. Consequently, this kind of critique leads to normalisation in terms of the firm-wide use of management accounting, which serves as a legitimate technique of governance and self-governance. If management accounting is explicitly used by managers to underpin their thinking and acting patterns in a taken-for-granted or even non-reflexive way, however, it may dismiss their intuition and experience. For creative

and innovative firms this may lead to a loss of identity. From a meta-perspective, the normalising power of management accounting can be considered to be a basic limitation of management accounting techniques. It would require an additional and superior meta-practice within the firm to criticise management accounting. Denoting management accounting as a critical meta-practice (Messner et al., 2008b) thus seems to be imperfect if it is not linked to a discussion of its empirical limits. In order to effectively support the firm, the role of the management accountant as a critical actor (Messner et al., 2008b) should also not be merely grounded in a normalising management accounting-oriented meta-rationality (Jørgensen and Messner, 2010). Instead, it should encompass different and, if possible, contradicting perspectives in order to maintain the reflective character of management accountants' critical role and to prevent the non-reflexive use of management accounting techniques within the firm.

Overall, this thesis contributes to the Foucauldian management accounting literature, especially the recent stream that draws on later Foucault writings (Kosmala and McKernan, 2011; Kosmala MacLulich, 2003; Lambert and Pezet, 2011; Roberts et al., 2006). Previous studies have mentioned that the disciplinary power of management accounting is enabling as well as constraining because it allows actors a certain degree of freedom to choose how to act (Ezzamel, 1994; Miller, 2001). From my perspective, the idea of "freedom" in the context of disciplinary power should, however, be regarded with some criticism. The case study illustrates that even in innovative- and product-oriented family firms, management accounting is so deeply internalised and taken-for-granted that managers can hardly imagine alternative techniques to govern the firm or even themselves. Interestingly, the study indicates that management accountants tend to be even more critical of management accounting than managers are. My analysis of research objective three consequently indicates that the aspects of freedom associated with the disciplinary power of management accounting as well as the critical role of management accountants can best be described as limited and demand a more profound conceptualisation that could be delivered from further research (Kosmala and McKernan, 2011).

E.2 General limitations

Like every study, this dissertation has a number of limitations that have to be acknowledged. Although a qualitative single case study generates interesting insights that can also serve as a fruitful basis for theorising (Dyer and Wilkins, 1991), all limitations of the case study method should be acknowledged (Cooper and Morgan, 2008; Marginson, 2004). Moreover, the findings are mainly garnered from narratives, internal documents, and publications about the case firm. Thus, past developments have been reconstructed by interviewees themselves and might be subject to ex post rationalisation and theorising. In addition, interviewees may have forgotten important past events. For research objectives two and three, the limitations associated with the empirical data should be recognised because the findings about the practices and relationships between management accountants and other groups within the firm mainly build on narratives rather than, say, on ethnographic data. Nevertheless, narratives still provide valuable insights and reliability. Practitioners know what they do in their daily businesses and – in the course of narrating on their practices and relationships to others – they are encouraged to reflect upon what they do as well as why they do it. Moreover, in an interview the researcher has the chance to check back in order to corroborate emerging interpretations together with the interviewee.

It must also be acknowledged that although underpinned by theory, interpretations still depend on the individual researcher and his or her individual worldview (Hopper and Powell, 1985). As a result, interpretations are always subject to factors such as selective perception, personal interests, the researcher's enthusiasm for the empirical phenomenon under study, or the use of a specific theoretical lens. In order to account for these limitations, I attempted to avoid non-reflexive theorising. Thus, during the research process, I drew on various theoretical streams to analyse and explain the empirical material, even though most of these theories ultimately did not find their ways into the final version of this thesis. Moreover, I corroborated the findings by discussing them with more experienced researchers.

Furthermore, it should be recognised that the case firm is a German manufacturing firm with an innovative background. These two characteristics also bear two limitations. First, as mentioned in the case analysis, the case firm's innovative culture influenced the adoption of professional roles that are

considered to be modern. In more traditional firms, however, it might be more challenging to drive the adoption of influential roles. Second, it has to be considered that German management accountants have specific characteristics (see e.g., Luther et al., 2010; Messner et al., 2008a). For example, compared with the UK or the USA, German management accountants are neither (coercively) certified nor externally controlled and thus they are rather subject to normative or cultural-cognitive rather than coercive pressure (DiMaggio and Powell, 1983; Scott, 2008). As a result, the findings presented in this dissertation may not only depend on the particular characteristics of the case firm but also on the specific German context.

E.3 Future research

This study offers a number of starting points for additional research. Regarding the first research objective, researchers should investigate the influence of normative actors. Future multi-level research (Hitt et al., 2007; Lounsbury, 2008) would thus broaden our understanding of the influence of institutional pressures at the micro-level. Hitherto, besides very few exceptions that focus on management *accounting* (Granlund and Lukka, 1998a), little is known about how institutional pressures affect the life of the management *accountant*. Future research should also explore to what extent micro-level actors can engage in institutional work (Lawrence and Suddaby, 2006) and induce change at the macro-level by introducing new role concepts or templates for behaviour. This would also broaden our knowledge of where new role concepts come from and how and why they diffuse (Lounsbury, 2008; Lounsbury and Crumley, 2007). Furthermore, research on the influence of guidelines or mission statements for management accountants on their professional role identity would contribute to the literature on the professionalisation of the field of accounting and finance (Lounsbury, 2002). In addition, it would contribute to research on the emergence and diffusion of normative templates for behaviour.

Thus far, most institutional research on professional roles has focused on the health care sector (Chreim et al., 2007; Goodrick and Reay, 2010; Reay et al., 2006). Considering the different role concepts existing under the label “management accountant” as well as the intensive institutional work conducted by

different normative actors, the management accounting profession may also serve as an interesting empirical setting to contribute to institutional research on professional roles and professional role identities.

Moreover, I showed that (external) normative actors support internal change agents by mobilising the power of meanings. Thus, professional role change and professional role identity reconstruction might serve as a fruitful empirical setting to contribute to recent calls for research on institutions and power (Lawrence, 2008; Lawrence et al., 2001). This kind of research might also focus on change agents acting as *internal* institutional entrepreneurs (Battilana et al., 2009; Sharma et al., 2010) who introduce new role concepts and drive their institutionalisation (see also Chreim et al., 2007). In light of this, I encourage researchers to refine or reject the theoretical framework presented in this dissertation.

Moreover, I mentioned that concerning its regulation, the German management accounting profession differs from other countries such as the UK or the USA. Although some research on German management accounting and the German management accounting profession has already been carried out (Ahrens, 1997; Ahrens and Chapman, 2000; Becker and Messner, 2005; Luther et al., 2010; Messner et al., 2008a; Wagenhofer, 2006; Weber, in press)¹⁸, how the German management accounting profession actually emerged and developed is still under-researched. A lot has been written about the accounting profession in other countries (see e.g., Cooper and Robson, 2006; Edwards and Walker, 2007; Greenwood et al., 2002). To complement this stream of literature, future research can broaden our knowledge of the German accounting profession. Furthermore, institutional researchers who are interested in the work of normative actors could, in this sense, also explore the emergence, development, and work of the German association of management accountants (i.e., the *International Controller Association*) that – although it has no potential for a binding influence – nevertheless exerts normative pressure at the firm level, especially on small and medium-sized firms in German-speaking countries.

¹⁸ Based on analyses of job advertisements published between 1949 and 1994 in the Frankfurt General Newspaper [*Frankfurter Allgemeine Zeitung*], the studies by Weber and Kosmider (1991), Weber and Bültel (1992), and later Weber and Schäffer (1998) show how the professional image of German controllers established and developed over time (see also Weber and Schäffer, 2008).

In light of the second research objective, I showed that practice theory serves as a valuable theoretical framework to study the influence of management accountants on the firm's constituent practices. To my knowledge, the present study is one of the first that explicitly addresses this issue empirically. Future research in this area can thus broaden our knowledge of the work of business- and management-oriented management accountants as well as their relationships with other internal and external actors such as customers or suppliers. In this sense, ethnographic research in different organisational contexts would offer in-depth insights into the everyday lives of management accountants in different contexts and might contribute to research on the work of management accountants (Jönsson, 2009; Lambert and Pezet, 2011; Mouritsen, 1996).

Overall, it can be argued that there is still a need for research on what management accountants do within the firm. Assuming that "everyone" within the firm is engaged in management accounting, a general but important question would be why firms actually need management accountants. Furthermore, assuming that they are not crucial for the management of the firm, why is so much institutional work carried out on this professional group? In the future, research may address these issues in more depth from an institutional but also from a more critical perspective.

The findings presented in the context of the second and third research objectives indicate that business- and management-oriented management accountants are engaged in practices that organise, structure, and even criticise other practices within the firm. Assuming that this is what marks out business- and management-oriented management accountants, it can be argued that they may also be referred to as managers. Although this argument may be considered to be exaggerated, it seems to be in line with the observation that accounting professionals increasingly occupy management positions (see also Armstrong, 1985; Lambert and Pezet, 2011; Whittington and Whipp, 1992). Accordingly, various paths for research arise from this argument. If management accountants are increasingly engaged in practices such as business and corporate development or policymaking, who is then responsible for basic accounting tasks? Is the accounting profession a two-tier society composed of bean counters and business partners? Because

information supply tasks are basically considered to be bean counting tasks (Bougen, 1994; Friedman and Lyne, 2001; Järvinen, 2009) that have a rather negative image within the firm, it is unclear what kinds of actors are actually willing to devote themselves to these practices. This question is especially interesting if one considers that management positions are rare and that thus not all management accountants have the possibility to climb the career ladder to become managers. Furthermore, it is unclear whether or to what extent bean counters can, over time, actually develop into business partners or whether these contrasting role concepts require fundamentally different skills, personal characteristics, and relationships with internal and external actors. In addition, little is known about the characteristics needed by management accountants to become critical actors within the firm. Moreover, to date, very few studies have addressed the careers of management accountants (see e.g., Järvenpää, 2007). Thus, more in-depth and longitudinal but also large-scale survey studies on the careers of management accountants are needed in order to answer the questions posted above. However, I would also encourage more critical research on managerialism within the management accounting profession.

Additionally, researchers should examine the operational need for systems of accountability, which – as shown in the case study – offer management accountants an influential position within the firm. In order to broaden our knowledge, further research should also explore alternative technologies by which managers act upon themselves and that are not merely based on traditional management accounting techniques.

In addition, my findings show that some managers strongly identify with management accountants and vice versa. Hitherto, little is known about these phenomena. Thus, I would encourage more management accounting research on the identity issues of managers and management accountants.

To my knowledge, the present case study presents the first in-depth empirical insights into the critical role of management accountants. My findings illustrate that management accountants act as critical actors vis-à-vis other firm members, including managers. Compared with other role concepts, the critical role of management accountants seems to have a theoretical foundation (Foucault, 1988; Messner

et al., 2008b). I would thus encourage additional research on this role. In light of this, it might be interesting to study which actors within the firm actually criticise management accountants as well as how and on what basis such critiques are conducted. This kind of research would consequently contribute to our knowledge of critical meta-practices (Messner et al., 2008b).

To conclude this thesis, it can be stated that based on its findings but also its limitations there is room for empirical and especially in-depth research on management accountants and their roles and practices within the firm. Overall, this dissertation provides insights into the roles and practices of management accountants that explicitly depart from the bean counter stereotype. Moreover, this thesis presents empirical support for the calls for research that have not yet been intensively addressed. The dissertation thus indicates that by engaging in meta-practices that structure, organise, criticise and thereby influence the firm's performances of actions, management accountants can participate in the management of the firm. In this sense, they seem to be engaged in and responsible not only for financial quantification but also for strategy implementation, which proceeds on a more "qualitative" than on a merely quantitative basis. Business- and management-oriented management accountants that are engaged in meta-practices, therefore, need to be equipped with the required skills, characteristics, and resources (e.g., legitimacy or access to information) that are associated with the work of managers. Based on the case study findings, it can therefore be said that besides aiming to experience and understand the performances of the firm's constituent actions, management accountants need to be self-reflective and to acknowledge their *original* positions within the firm. In other words, management accountants who mainly focus on business partnering or critical practices have to accept that although they are involved in management practices, they are not managers. If management accountants, however, do not limit themselves, it can be assumed that their influential positions may not add any value to the decision-making or control of the firm but rather lead to power struggles, political games, or conflicts, which may even be detrimental to the firm. Moreover, by relinquishing "traditional" information supply and reporting tasks, which are mainly considered to be associated with the bean counter role, management accountants may jeopardise their positions as gatekeepers of the firm's information base, which still serve as a basis for their business

partner roles. From this perspective, the present dissertation may present a point of departure for further research on the critical roles and practices of management accountants and on how they as well as managers or other firm members actually deal with them in business practice. Considering the intensive institutional work that is proceeding on the influential roles of the management accountant, future studies would not only contribute to research but also to business practice. Therefore, I hope that this dissertation inspires researchers to broaden our knowledge of the “challenging and complex situations” (Jönsson, 2009, p. 323) in which management accountants find themselves within the firm.

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Appendix

No.	Acr.		Function	hh:mm
1	P1	I1	Vice Chairman of the Supervisory Board	00:36
2	P2	I1	Chairman of the Works Council	01:00
3	P3	I1	CEO (former CFO)	01:30
4	P3	I2	CEO (former CFO)	01:00
5	P4	I1	Board Member	00:54
6	P5	I1	Board Member	00:41
7	P6	I1	Board Member	01:00
8	P7	I1	Sales Director	01:05
9	P8	I1	Sales Director	00:55
10	P9	I1	Sales Director	01:04
11	P10	I1	Production Manager	01:32
12	P11	I1	Head of Corporate Communication	01:09
13	P12	I1	Business Processes, IT	00:56
14	P13	I1	Head of Personnel Department	01:14
15	P14	I1	Production Manager	00:57
16	P15	I1	Head of Marketing	01:01
17	P16	I1	Head of Key Accounting Management	01:21
18	P17	I1	Business Processes, IT	01:18
19	P18	I1	Head of Corporate Management Accounting and Accounting	01:20
20	P19	I1	Head of International Management Accounting	01:10
21	P19	I2	Head of International Management Accounting	00:28
22	P19	I3	Head of International Management Accounting	01:00
23	P20	I1	Regional Management Accounting	01:20
24	P21	I1	Management Accountant	01:02
25	P22	I1	Management Accountant	01:07
26	P23	I1	Management Accountant	01:25
27	P24	I1	Management Accountant	01:21
28	P25	I1	Head of Subsidiary	01:06
29	P26	I1	Head of Subsidiary	00:55
30	P27	I1	Head of Subsidiary	01:03
31	P28	I1	Regional Manager	00:41
32	P29	I1	Head of Subsidiary	00:59
33	P30	I1	Head of Subsidiary	00:57
34	P31	I1	Head of Subsidiary	00:59
35	P32	I1	Head of Subsidiary	00:48
36	P33	I1	Head of Production (Subsidiary)	00:51
37	P34	I1	General Manager Sales (Subsidiary)	00:43
38	P35	I1	Decentral Management Accountant	01:02
39	P36	I1	Decentral Management Accountant	01:08
40	P37	I1	Decentral Management Accountant	00:48
41	P38	I1	Decentral Management Accountant	00:54
42	P39	I1	Decentral Management Accountant	00:57
43	P40	I1	Decentral Management Accountant	00:53
44	P41	I1	Decentral Management Accountant	01:02
45	P42	I1	Decentral Management Accountant	00:59
46	P43	I1	Professional Trainer	02:00