AN INSIDER RESEARCH INTO THE CHANGING ROLE OF THE MANAGEMENT ACCOUNTANT DURING ORGANISATIONAL CHANGE

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<u>Declaration</u>

I declare that this thesis is my own work and has not been submitted in substantially

the same form for the award of a higher degree elsewhere.

Dedication

To Helen, Nadya and Niamh.

To Dad and in memory of Mum.

Acknowledgements

I would like to thank my Supervisors, Dr Aileen Lawless and Dr Seng Kok, for their guidance in the writing of this thesis. I would also like to thank Helen, Nadya and Niamh for their support and patience throughout this long process. Final thanks go to Ian for all his encouragement and support.

Abstract

This research explores the perceptions of management accountants and their work community within a UK university, during a departmental restructure, when new roles and responsibilities emerged. Current literature on the role of management accountants suggests a lack of understanding as to how their role has developed over the years, with research being fragmented and rarely undertaken from the perspective of the service users, or the role holders. Research has predominantly concentrated on organisational aspects of change in management accounting, there being a dearth of research on the effect that role change has on the management accountant's perception of their role, identity and associated power within the organisation. In addition, there is lack of field-based research and of practitioner research that is undertaken by qualified management accountants working in situ.

A qualitative approach was adopted, wherein the author acted as an insider researcher. As an employee and qualified management accountant, the researcher was part of the community being investigated, which enabled observing-participant techniques to be used. Formal data generation spanned a two-year period, wherein semi-structured interviews were undertaken with nineteen key actors, including the accountants and those they served. Throughout, a research diary was maintained to record observations from meetings, face-to-face encounters, and the verbal and written communications associated with the accountant's role. Cultural Historical Activity Theory was adopted as a lens with which to explore the perceived changes in perceptions that occurred between the management accountants and their wider organisational community.

A thematic analysis of the data revealed three key themes: role, identity and power relations. On further analysis, inconsistent actor reports were apparent which referred to the decentralisation process and the change element of the managing accountants' role. The resultant tensions and contradictions were analysed in detail as activity developed

and altered over time. The effectiveness of the finance business partner model was seen to be flawed. In addition, the perceptions management accountants held of their role, identity and power within the university were impacted on negatively. Overall, analysis provided a rich picture that detailed the experiences of the difficulties and ambiguities brought about by change in the management accountants' role.

In investigating professional accountant practice in situ this study makes a strong contribution to the limited research that addresses the changing perceptions and roles of management accountants in the public sector. The insights further contribute to the literature of management accounting activity, in making a theoretical contribution to knowledge in the field of change, with specific reference to power relations, resistance to change, identity and role perception.

With respect to the future, as the finance business partner role has become established in recent years, there is a need for a wider understanding of the transition in the management accountants' role, as a finance business partner and further research is recommended both in the public and private sector.

Contents

List of Abbreviations

BD1   Business Development manager

HEFCE   Higher Education Funding Council for England

ICAEW   Institute of Chartered Accountants in England and Wales

IT   Information Technology

LJMU   Liverpool John Moores University

SD   School Director

SMG   Senior Management Group

SMT   Senior Management Team

VAT   Value added Tax

Respondents

M1-3   Management Accountant
C1-2   Central Finance Accountants
D1-3   Deans
F1-3   Faculty Managers
S4-11   School Directors

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter introduces the research by providing a context for the investigation, which is followed by a brief description of the literature on the changing role of management accountants. The methodological perspective of the researcher is then provided, along with a summary explanation of the approach taken for data generation. The chapter proceeds to provide a summary of the lens of enquiry used to illuminate the research setting and concludes with a chapter-by-chapter outline structure of the thesis.

Research context: changing role of the management accountant

This research explores the work community perceptions of the change in the role of the management accountant during the restructure of a management accounting department within a large UK university. The research university, situated in the North West of the UK, had a turnover of approximately £170m with around 20,000 students and 2,000 staff members. The research investigated the lived experience of such a reorganisation from the viewpoint of both the management accountants themselves, and their wider non-finance operational management colleagues. The initial process of restructure began in 2006, and the period of data generation was from 2011-2013. The researcher is a qualified accountant and during the time of research was employed as a management accountant within the university. He left the university's employment during 2013 after 12 years' service. The researcher's experience of his changing role, along with the problems and issues he and his colleagues faced, led to an interest in researching the shared experiences of his colleagues, with the intention of establishing a clear contextual picture of their experiences within the university.

Generally, there has been limited research conducted into the role of management accountants. Kaplan (1986) expressed concern with the lack of a field-based research strategy in management accounting, whilst later management accounting research has been fragmented (Chapman, 1997; Chenhall, 2003) or not from the user's viewpoint (Mendoza & Becos, 2001). More recently, research into the role of the management accountant suggests it is moving away from the traditional financial controller role to a more strategic and operationally involved role (Byrne & Pierce, 2007), which involves advising operations managers and participating in decision-making (Jarvenpaa, 2007). However, the variation of roles played by individual management accountants will ultimately depend on the organisation in which they operate. Lambert and Sponem (2012:567) suggest that: "*the role of management accountants is largely determined by the positioning of their function within the organisation*".

This research investigated how such a restructure worked in practice and what affect it had on the work community in a higher education context. Looking at not only the intra-organisational factors but also the impact on the individuals involved. This research investigated the different views of the work community up to seven years after the initial decentralisation decision. According to Kaplan (2011:370):

> *Accounting scholars have become disconnected from practice. The majority of research has been quantitative, with few conducting field experiments on real professionals working in their actual jobs.*

This research not only investigated professional accountant's experiences in the workplace, but was also conducted by a qualified accountant in situ.

1.2 Methodological perspective

The methodological approach of this research is qualitative, and seeks to provide in-depth understanding of the perceptions of management accountants and their operations management colleagues, as they both experienced change in roles. Ontologically this research is focused by the researcher's role as a qualified management accountant employed by the university. He had personally experienced the change in role to be investigated and has a subjective view on his profession, thus cannot claim impartiality. Epistemologically this research takes a social constructionist approach investigating the reality experienced by the social actors and seeks to understand their perceptions of it. This research purposefully chose both management accountants and operations management to contribute, so as to provide a more balanced view of people working together in a university context.

Research approach

During the initial period of this research project, the researcher was employed as a management accountant in the research organisation and as such adopted an insider researcher approach. An insider researcher has been defined as someone "*conducting research with communities or groups of which one is a member*" (Kanuha, 2000:440). Such as approach is increasingly being addressed by practitioner researchers, where the researcher works in a substantive role within the organisation in which they are researching (Moore 2007; Drake, 2010; Hanson, 2013).

The researcher is aware of the problems associated with insider research, such as issues of objectivity and emotional distance, but as Alvesson (2003) suggests, the insider researcher has to ensure that he or she creates some distance and that they investigate, record and analyse the information in a way that provides an insightful description, with

theoretical relevant ideas. In conducting his role as a management accountant on a day-to-day basis, the researcher acted as an observing participant "*Where participation comes first and is only occasionally complimented with observation is a research focused sense*" (Alvesson, 2003:174). In addition to the natural access enjoyed by the researcher, the university was also targeted specifically for its decentralised management accounting function and the on-going nature of the challenges being faced within the sector. Individuals from across all areas: management accountants and non-accountants were interviewed. Purposive sampling (Horn, 2009) was utilised to select key informants and in order to ensure a range of views are explored.

The researcher employed a combination of qualitative data generation methods (Silverman, 2008). It was important to gain the views of the other management accountants, and not rely totally on the researcher's recorded experiences. The researchers intention was not to put his own experiences at the centre, as in auto-ethnography (Muncey, 2005; Anderson-Gough, 2008; Wall, 2008), rather to draw attention to his own cultural context. The resulting interviews offer various perspectives from management accountants, financial accountants and non-accountants. First round interviews began in March 2012, with a sample consisting of nineteen management accountants, central finance accountants and non-accountants across the university. The second round interviews took place in early 2013 and included the same contributors as the previous year.

The researcher kept a research diary during the period of research, which included any material that affected him personally in his day-to-day work. He also recorded communications (e-mail) that could provide useful data. In addition, he kept notes of any observations that he made or become aware of that didn't directly affect him, but could be of relevance to the research. Observation is a valuable source of information

gathering and in this case is based on meetings, face-to-face dealings, communications and other documentation.

Lens of enquiry

Cultural Historical Activity Theory was used as a lens with which to explore the interaction between the management accountants and the wider organisational community. Jonassen and Rohrer-Murphy (1999:62) state that:

> *Activity theory is a powerful socio-cultural and socio-historical lens through which we can analyse most forms of human activity. It focuses of the interaction of human activity and consciousness within its relevant environmental context.*

The use of Cultural Historical Activity Theory enabled the researcher to clearly structure the interaction between the communities. Thus giving the researcher the opportunity to identify differing viewpoints and also to discuss past problems and how they were resolved. Decortis *et al*. (2000:13) recommends that: "*It is important to take into account a variety of viewpoints to obtain a detailed analysis of the work setting*".

The activity system of the university is illustrated in Figure 1.1:

Figure 1.1 University activity system and potential contradictions. Adapted from (Engestrom, 2001).

Tools
MS Office
Finance system
PC's, Phone, E-Mail

Subject
Management
Accountants

Object → **Goal**

Rules
Financial regulations
Organisation regulations

Communities
The University

Division of Labour
Internal control
Internal reporting
Teaching & Course
provision

←→ Contradictions and Disturbances
→ Organisation Activity links
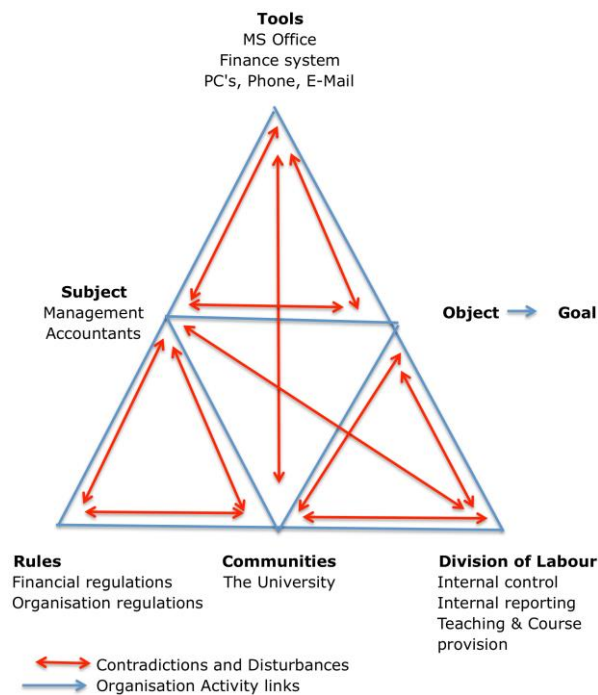
Figure 1.1 illustrates the management accountants and the wider community engaged in activity. The blue lines show the channels of activity amongst the communities. The red lines show where there is the potential for tensions and contradictions within these lines of communication. Issrof & Scanlon (2002:78) suggest that:

> *Contradictions manifest themselves as problems and are a source of development. Activity systems are almost always in flux as they are in the process of working through contradictions.*

For the purposes of this research the subject is the management accountant. The object is the services provided by the management accountants. This is to include all reporting, system interrogation, data analysis, and processing of documents. The communities consist of Deans, Directors, Managers, and other staff that have regular contact with the management accountants. Tools can be anything used in the transformation process: physical such as the telephone, computers, e-mail and spread-sheets or mental such as professional experience. The outcome of the system is financial control, that is, ensuring

faculties and departments operate within their budget allocation. The rules of the system are taken here to be the financial regulations imposed by the external authorities and internally by organisational regulations. Barnard (2010:28) suggests that: "I*ndividual members will vary in their understanding of, and adherence to, these rules, but they nevertheless constitute cultural boundary markers of a community"*.

Jonassen & Rohrer-Murphy (1999) state that activities are socially and contextually bound. So any activity system can be described only in the context of the community in which it operates. The community uses discourse to negotiate and mediate the rules and customs that describe how the community functions, what it believes, and the ways that it supports different activities. Team members negotiate their roles based on skills, preferences, or availability. Their assignment to those activities defines the division of labour, which is also mediated by formal and informal rules and social negotiation. Any work community negotiates the rules, customs, and divisions of labour that mediate its activity. This research investigates how decentralisation, along with an on-going changing environment, impacts upon members of a higher education work community.

Decortis *et al.* (2000) suggest that the value of Cultural Historical Activity Theory is its capacity for taking into account the different viewpoints of the subjects in a study. The majority of recent literature discusses management accounting change from the organisation's viewpoint (Siti-Nabiha & Scapens, 2005; Bardy, 2006). This research, whilst acknowledging the important organisational effects of the change, will focus on the activities of the stakeholders involved, seeking to understand their experiences of decentralisation from an individual and group perspective.

Research questions identified

This research addresses the following research questions:

1. To what extent did the restructure of the management accounting function affect the management accountant's role within the organisational community?
2. To what extent has the restructure of the management accounting function impacted on the management accountant's identity?
3. In what ways did the restructure of the management accounting function affect the perceptions of power within their community?

1.3 Outline structure of the dissertation

The next chapter introduces the key literature relating to the developing role of management accounting within the organisation, discussing both the changing role and the effect of change on the management accountant. The key areas of role, identity and power are presented. Chapter three will discuss Cultural Historical Activity Theory, providing background and detail on how it can be used as a lens with which to investigate activities between individuals and groups in a university context. Chapter four will discuss the methodological issues of the insider researcher approach taken.

Chapter five, six and seven comprise the findings of this research. Chapter five recounts the management accountant's viewpoint of their relationship and activities within the university. Chapter six recounts the central finance viewpoint of the activities and relationships with the management accountants and other areas of the university. Chapter seven provides faculty and service team views on activity and relationships with management accountants and central finance.

Chapter eight provides a discussion of the research findings, highlighting issues raised by the participants with regard to how activities have changed and developed following

the decentralisation of the management accounting function. Finally in chapter nine conclusions are drawn from the research and a discussion of the contribution to the understanding of the changing role of the management accountant are made, along with the important aspects of identity.

The next chapter explores the management accountant's role and identity during change.

CHAPTER TWO

LITERATURE REVIEW:

THE MANAGEMENT ACCOUNTANT'S ROLE AND IDENTITY DURING CHANGE

2.1 Introduction

This chapter presents a literature review of the role of management accounting in an organisational context. It begins by discussing how the finance function forms part of the organisational activity system. This is followed by a deeper look into management accounting, by defining management accounting and discussing the developing role of the management accountant. The chapter provides a review of the literature of role theory, which leads to more specific influences on management accounting activity and how the role of the management accountant has changed as it seeks to maintain its relevance in a contemporary business environment. The chapter goes on to review the literature on identity theory, the characteristics of management accountants, along with the image and perceptions of management accountants within the organisation and how management accountants seek legitimacy and professional status. The final section reviews the literature of power relationship theory and the effects that this has on the management accountant's role within the organisation.

2.2 The role of the finance function

Johnston *et al.* (2002:1326) offer a basic view of the role of the finance function, suggesting that there are three main activities undertaken by the accounting and finance function. Firstly, the function is involved in the day-to-day recording of financial transactions and their periodic reporting to external parties. The second activity related to the function concerns financial management, including decisions on the mix of finance and dividend policy. The final role concerns the actual processes associated with management accounting.

In an attempt to divide the finance function into separate recognisable sections Atrill and McLaney (2015:2) distinguish between accounting and finance by explaining that accounting "is *concerned with collecting, analysing and communicating financial information"*, with the ultimate purpose being to assist users of the information to make more informed decisions. Whereas, finance is concerned with the ways in which funds are raised and invested.

A further breakdown of the finance function is to distinguish between the roles undertaken by financial accountants and management accountants. Traditionally financial accountants have provided financial information for external use, whilst management accountants provide financial information for internal use. This, however, does depend upon the size of the organisation. A small organisation, for example, would not be able to afford two or more professionally qualified accountants and so would have one accountant fulfilling both roles. It also depends on the level of technological development of the finance system in the organisation. Such systems are increasingly able to provide financial information across the organisation to accountants and non-accountants alike.

Financial and management accountants alike offer a service by providing financial information to their respective customers. Customers, who are also termed users, of that financial information will include internal users, such as managers who need the information in order to make informed decisions about production and resource allocation. Employees will also need information about the stability of their employment, whilst external users, such as shareholders, will need to be able to value their investment and earnings from their shareholding. In addition, creditors need to be assured of their payment and continued custom, as do external customers, to ensure

continued supply. Finally, government agencies require information on corporate and employment taxation and national statistics.

The finance function generally consists of a number of sub-functions such as: financial accounting; management accounting; payroll; treasury; purchasing; accounts payable/receivable and financial information technology (I.T) systems. This research concentrates on management accounting activity and does not explore the sub-functions in any great detail.

Professional bodies such as the Chartered Institute of Management Accountants (CIMA) and the Institute of Chartered Accountants in England and Wales (ICAEW) both acknowledge the changing business environment and how the role of the finance function has changed to meet new requirements of the modern business. Some of the factors causing change include: increasing Globalisation; higher investor expectations; new technology; increased corporate governance requirements and the increased focus on corporate social responsibility. The emphasis is on accountants and finance functions to "*move away from their traditional roles as score-keepers to a more proactive score-maker role*" (CIMA, 2014:1).

The ICAEW have developed a finance function framework ICAEW (2011:3) suggesting that the activities of the finance function consist of five elements that each inform and influence the other. The first area is accounting, that is, the need to record the financial consequences of organisational activities. Second is compliance, with the need to meet the requirements of governmental and other regulatory bodies. The third element concerns management and control, which is to produce and use financial and related information to inform, monitor and instigate operational actions to meet organisational objectives. Strategy and risk, which, from a financial perspective, informs and influences the development and implementation of strategy and to manage risk, provide

the fourth element. The final element is funding, which concerns the informing and engaging with investors and funders, to obtain the necessary financial resources for the organisation. The framework acknowledges that the finance function does not operate in isolation but is part of wider activity systems with other operating functions. It is also acknowledged that senior management can directly influence the role that finance plays within the organisation; the activities of the finance function generally occur in the context of a particular culture, political environment and operational routine.

The following literature review focuses on management accounting and the role of the management accountant in the context of their position within the finance function and the wider organisation. Some of the sub-functions mentioned above such as payroll, treasury, purchasing, accounts and finance systems are not discussed further in any great detail as they are outside the remit of this research. The next section presents definitions of management accounting, along with the roles of management accountants.

2.3 Management accounting

Definition of management accounting

Bhimani *et al.* (2015) make clear the difference between management accounting and financial accounting, suggesting that management accounting is internally focused to provide information to assist managers in fulfilling the goals of the organisation, whereas, financial accounting focuses on external decision makers and is directed by authoritative guidelines.

Horngren *et al.* (2014:21) define management accounting at an operational level as being:

> *The branch of accounting that produces information for managers within the organisation. It is the process of identifying, measuring, accumulating, analysing, preparing, interpreting, and communicating information that helps managers fulfil organisational objectives.*

Another view is presented by Wickramasinghe and Alawattage (2007:5) who highlight the importance of non-financial information by defining the purpose of the management accounting function as being "*to support decision-making and control by providing financial and non-financial information*". Whilst an earlier view by Birkett (1998, cited in Baxter & Chua, 2006:3) suggests that management accounting adds value by "*attaining the effective use of resources*".

The definitions of management accounting above emphasise its internal decision-support role and the increasing need for non-financial reporting. It also emphasises the different function of the roles of the management and financial accountant. This differentiation is something that CIMA, the management accounting professional body, has sought to build upon, particularly as it seeks to distinguish its members from other accounting professional bodies. In an effort to distinguish the unique skillset of qualified management accountants, CIMA declares on its website (CIMA 2016):

> *Most accounting qualifications train people for private practice, working on external audit and tax issues. CIMA prepares people for a career in business. Our members are qualified to work across an organisation, not just in finance.*

In addition to strong accounting fundamentals, CIMA (2016) emphasise strategic business and management skills. Skills such as being able to: analyse information with which to make business decisions; formulate business strategy; identify and manage risk; apply planning and budgeting techniques and then finally determining the information requirements of management and being able to communicate it to non-finance managers

Descriptors of management accountants

Burns *et al.* (2004) discuss how management accounting has undergone a major transformation since the 1970's, with the effect that traditional management accounting roles had either disappeared or been reconstituted. Hence, there are many varied descriptors of the role of the management accountant, which depend on the individual circumstances of management accountants, and the size and nature of the organisation in which they work. The transformation and variation in the role was still evident some years later, with De Loo *et al.* (2011) contributing to the on-going debate concerning management accountant's role and the position of management accounting in the organisation.

The varied descriptors used to explain the roles undertaken by management accountants are presented in Table 2.1, with many depending on contextual circumstances of the individual management accountant. The role descriptors also vary between the more traditional historic financial reporting-oriented roles, such as that of the 'bean–counter' who is deemed to concentrate on reporting numbers, with the more recent development of finance business partner roles, which offer high levels of support to decision-makers within the organisation, as part of decentralised management accounting function.

Table 2.1: Summary of prominent descriptors used to describe Management Accountants

Nom de Guerre	Research paper
Business partner	Hopper (1980)
	Siegel *et al.* (a) & (b) (2003)
	Burns *et al.* (2004)
	Kennedy & Sorensen (2006)
	Byrne & Pierce (2007)
	Jarvenpaa (2007)
	Baldvinsdottir *et al.* (2009a)
	Baldvinsdottir *et al.* (2010)
	Victoravich (2010)
	Goretzki et al (2013)
Controllers	Sathe (1983)
	Lukka (2007)
	Jarvinen (2009)
	Graham *et al.* (2012)
Bean counter	Friedman & Lyne (1997)
	Beaman & Richardson (2007)
	Verstegen *et al.* (2007)
	Vaivio (2008)
	Baldvinsdottir *et al.* (2009a)
	Jarvinen (2009)
Book-keeper	Hopper (1980)
	Friedman & Lyne (1997)
	Byrne & Pierce (2007)
	Morales & Lambert (2013)
Number cruncher	Byrne & Pierce (2007)
Business advocate	De Loo *et al.* (2011)
Hybrid Accountants	Yazdifar & Tsamenyi (2005)
	De Loo *et al.* (2011)

Descriptors of management accounting practice

Management accounting practice is presented in various terms in the literature. Some

sources concentrate on the core traditional practises of budgeting; reporting and

controlling, whilst others emphasise the more recent developments and re-orientation

towards business support. Indeed, certain authors maintain there is still a need for

traditional management accountants. Bardy (2006) for example, who suggests that

traditional management accounting has much to offer in terms of developing methods of

decision support and management control, but that it needs to be customised in order to

fulfil this role. Johnston *et al.* (2002) see the primary activity as being to operate the system of budgetary control within an organisation. Similarly Verstegen *et al.* (2007) stress the importance of the much-maligned 'bean–counting' activity, especially for those management accountants employed in smaller sized firms, where they have a centralised local role (De Loo *et al.* 2011). However, there are authors who see a disadvantage in being focused more on producing numbers, rather than being business orientated (Friedman & Lyne, 1997; Jarvenpaa, 2007). Likewise Neilsen *et al.* (2000) view a concentration on traditional tasks, such as budgeting, as potentially being an obstacle to developing management accounting support of service department customers. In larger organisations De Loo *et al.* (2011) argue for a developing management support role that transforms management accountants from 'bean-counters' to business advocates. Ultimately, Ma and Tayles (2009) consider that greater activity in decision support roles for management accountants as a desirable development.

Other studies suggest a combination of traditional and new activities. Here, management accountants who operate in teams can have their activities shaped by team dynamics and wider organisational activity (Kennedy & Sorensen, 2006), although this is only usually possible in larger sized organisations. It may be the case that an individual management accountant might associate him or herself with multiple descriptions from Table 2.1, depending on the task in hand and the level of influence they perceive they can exert within the organisational activity system. Management accountants are sometimes seen as having a decentralised service role (Hopper, 1980; Burns *et al.* 2004; Hempel *et al.* 2012; Ecker *et al.* 2011; Goretzki *et al.* 2013). The decentralisation and development of management accountants into finance business partners is a central theme in this research and is discussed in more detail below.

2.4 Role

Role relates to a social situation where the connecting behaviours, beliefs and rights are conceptualised by the actors within that setting (Smith *et al.,* 2014). Environmental, social or circumstantial changes are likely to negate or outdate a role, thereby forcing the person to change their perception of their role, which subsequently impacts on their identity. In a social setting, roles are invariably achieved through an individual's standing in the community, however, within the workplace, a role is often assigned or ascribed to an individual (Stark, 2007). Once in the role, circumstances may force a change in the requirements of the role, which will often be outside the individual's control.

Role theory refers to the sociological study of how roles are developed, along with the associated causes and expectations of others and themselves, on how the role should be performed (Biddle, 1986). It is then apparent that cultural and societal influences are associated with role, whereby the perceptions and pressures of the community have an impact in defining the role. Indeed, in functionalist terms, the concept of role is drawn from anthropology, whereby a set of behaviours and expectations are placed on an individual by society. Whilst role is intertwined with status, the former is what the person actually does, that is their behaviour, with status referring to what the individual stands for in society or within their community (Flynn & Lemay, 1999). As with many concepts, role is guided by social norms theory, in that an individual's behaviour is influenced by their perception of what others in the community expect from them (Smith, 2014). Some roles are not easily apparent, as with Belbin's (2010) team roles, whilst work roles are often defined more specifically.

Changes to role can impact negatively on social identity, whilst at the same time causing confusion in the individual's role identity (Hammer & Thompson, 2003). The

resultant role conflict, which is a variant of social conflict, results from a person having to take on two different or opposing roles at the same time, which can equally result in role confusion. People will often find their roles changed externally, with these changes being so subtle the individuals might not recognise such a gradual evolvement (Nicholson, 1984). Where such changes occur, the individual is seeking a form of boundary change, with the edges of the role taking on less defined parameters (Ashforth, *et al*., 2000), although the process might equally involve an imposed sea change of events, that impact negatively on the individual's wellbeing and status. Thus, whilst role change is intertwined with identity, both concepts are impacted through social construction within the wider community (Turner, 1990). That is, they will have meaning for both the individual and for others who perceive their role and identity, with the concurring of a shared meaning providing the foundation for stable a relationship.

2.5 Change and maintaining relevance

Transition to finance business partner

In an earlier work, Hopper (1980) suggested that the management accountants' role would move away from routine data processing in centralised accounting departments, to providing a broader service role out in the operations teams, thus effectively foreseeing decentralisation of the management accounting function. Many years later Burns *et al.* (2004) noted that this trend was continuing, with the management accountant role being reconstituted or disappearing all together. More recently Goretzki *et al.* (2013) confirm the view that the traditional 'bean–counter' stereotype has been replaced by the more positive description of a finance business partner. In discussing the finance business partner role, Beaman and Richardson (2007) note the adding of

value to the organisation, asserting that those management accountants who limit their role to traditional 'bean-counting' activities, are unlikely to add sufficient value to the firm.

The finance business partner is seen as someone who actively participates in operational decision making, as opposed to the historical role of the management accountant of not participating in the decision-making. They remain within the finance function and taking a more passive role of providing financial data and information to the operations management decision makers. Jarvenpaa (2007:101) suggested that "*the decentralisation of management accountants as business controllers, becoming part of a business unit, has been one essential trend*" in the development of the finance business partner role. The issue of isomorphism is discussed in more detail below.

The ability to introduce the finance business partner role will depend on the accounting I.T systems in place (Baldvinsdottir *et al.* 2010; Lambert & Pezet, 2010), the accounting techniques used (Shields, 1995; Friedman & Lyne, 1997; Graham *et al.* 2012) and the skill-set of the management accountants themselves, including their "*communication skills and their thorough understanding of the business they work in*" (Siegel *et al.* 2003a:43). It has also been suggested that for the finance business partner role to be introduced the necessary changes to organisation structure need to be implemented (Graham *et al.* 2012). Hence, "*The notion of management accountants adopting a business partner role is not straightforward*" (Byrne & Pierce, 2007:471).

Indeed, management accountants could influence the design of their own roles, depending on individual factors such as attitude, personality and initiative (Byrne & Pierce, 2007). However, this individual dimension ignores the fact that management accountants mostly operate in teams, as part of a management accounting function, and an individual management accountant's ability to position themselves within such teams

affects their level of influence on organisational decision making (De Loo *et al.* 2011). As such, Lambert and Sponem (2012) suggested that the role of management accounting is largely determined by the positioning of the management accounting function within an organisation.

Other dissenting voices within the literature view the finance business partner role as less of a generic role than might be understood from such a general title. Indeed, the authors Siegel *et al.* (2003b) found that the transition to finance business partner occurred differently in each of the six companies taking part in their study. This would suggest that the finance business partner role is a specific role for a specific organisation of a certain size and certainly not a one-role fits all solution. Baldvindottir *et al.* (2009b:34) suggest that business partnering may be a fad and that management accountants need to "*fuse their more traditional, basic and unexciting traits with the demands of being a business partner".* If decentralisation and the finance business partner role is perceived by some to be following a trend, does this mean that decentralisation may possibly be reversible? This question is discussed further in chapter eight.

Barriers to role change

According to Johnston *et al.* (2002) a natural tension is said to exist between operations managers and management accountants because management accountants control and run the system, whereby the performance of operations management is judged. In this sense, operations managers may see budgetary control as a backward looking mechanism for evaluating performance. Management accountants may also tend to over emphasise the financial aspects of decision making, whereas the idea of a finance

business partner concerns a more forward looking role that shares the perspective of operations management.

Managers in particular have been found to be a decisive factor in supporting or opposing the new role of management accountants (Windeck *et al.* 2013), with Burns and Scapens (2000) discussing resistance to change, due to competing interests of operations managers and accountants. They identified three types of resistance to change: first: resistance due to competing interests, second: resistance due to lack of capability (knowledge and experience) to cope with such change, and third: resistance due to 'mental allegiance' to established ways of thinking and doing. Siti-Nabiha and Scapens (2005) found that institutions within an organisation can shape processes change and potentially subvert its proclaimed intentions. If each sub-section of the organisation, for example a faculty, operates independently, then there could well be differing management practices across the organisation. In such a situation, it becomes difficult to impose management accounting change of a standard nature, for example in introducing a faculty accountant, as each faculty may operate in a slightly different way.

The ascendency of the finance business partner role is likely to be at the expense of the power and influence of the operations manager and this is likely to be resisted (Jansen, 2010). According to Windeck *et al.* (2015:618) "*If management accountants are to become real business partners, managers have to hand over some power to management accountants*". A reflection on the issue concerning managers' reduction of agency (Ezzamel & Burns, 2005) is provided in chapter five. There are obstacles in making the transition to finance business partner (Siegel *et al.* 2003a; Byrne & Pierce, 2007). Graham *et al.* (2012:75) highlight possible reasons such as a "*lack of time, expertise, top management support and operational* support" and suggested that technology did not necessarily free up the management accountant's time to spend on

wider operational issues, concluding that the opposite may be true. This suggestion is discussed further in chapter five. Certain authors' write of management accounting change being dependent upon how well organisational behavioural factors had been managed (Shields, 1995), with leadership style being an important factor in how accounting data is used within the organisation (Jansen, 2010).

Relevance of management accounting

Johnson and Kaplan (1987) argued that management accounting had lost its relevance due to the dominance of external financial reporting, and because the organisation only had one information system statutory requirements for external financial reporting, would always take precedence over information needs for internal management decisions. This view was rejected by Burns *et al.* (2004), who argued that developing database technologies facilitated the storage of vast amounts of information in easy accessible forms, thereby allowing information to be analysed in a number of different ways. They concluded that it was feasible to design an information system that simultaneously meets the needs of different users and provides different information for different purposes. The increased use of technology has changed the role of the accountant from being one of information provider to being one of many users of the information system. In addition, a number of new techniques such as Activity Based Costing and the Balanced-Scorecard have also been developed (Ratnatunga *et al.* 2015), which were aimed at providing relevance back to the management accounting profession.

Lambert and Pezet (2010) suggest that technology has afforded the management accountant greater prominence in management hierarchies. However, the same technological developments have also enabled operations managers to become users of

the same information system. Byrne and Pierce (2007) discussed how management accountants were in danger of being marginalised, as operations managers access financial data directly from an information system. Taking this idea one step further, Mir and Rahaman (2003) found that operations managers and management accountants could both use the same accounting data to support their counter arguments in resource negotiations. This is something that is highlighted in this research and discussed in chapter five.

Following a trend: isomorphism

Mention was made in an earlier section that perhaps the finance business partner role was following a trend. This research has observed that the university implemented the decentralised management accounting function in 2006, in some cases lagging behind other large public sector organisations and yet in other cases, being ahead of others. This process followed a well-publicised and popular movement within large public sector organisations to introduce a decentralised management accounting function. Not all organisations will be interested in decentralisation, for example, it may be that small organisations have no need for the new finance business partner role and are content with the more traditional role. In reality, small organisations would rarely have the resources to pay for dedicated financial and management accountants; they are more likely to have a single accountant doing all roles simultaneously.

The 'trend' of devolving the management accounting function is cited in general terms by Lega and Vendranimi (2008), who discuss isomorphism and how organisations can either be coerced and pressured by national government and the authorities, to emulate other organisations that are perceived as successful, or choose to implement similar management control techniques and systems, with the intention of copying perceived

successful practice in other organisations. Moll and Hoque (2011:87) noted that organisations often imitate the practices and systems of others "*indicating that the organisation is managed using forms of action appropriate to its circumstances*". Siti-Nabiha and Scapens (2005) discuss the external pressures from other organisations for an organisation to introduce change, whilst Jackson and Lapsley (2003) reported how some organisations were forced or coerced into introducing accounting change, noting, however, that such organisations were under pressure to improve efficiency, their budgetary process and their flow of information. Hassan (2005:127) explains isomorphism in detail, distinguishing between competitive and institutional isomorphism:

> *Competitive isomorphism represents the force of efficiency when there is one best, cheapest or most efficient way of doing things. Whereas institutional isomorphism includes the elaboration of rules, symbols and beliefs to which individual organisations must conform to gain social legitimacy.*

The desire by university management to make the management accountants more visible would suggest competitive rather than institutional isomorphism. Possibly copied from other organisations within the education sector, but evidently occurring as part of a movement supported by industry and the accountancy bodies, who have changed their qualification process to accommodate the developing requirements of the finance business partner.

Decentralised management accounting practice

This research investigated how a university management accounting function changed practice by introducing a decentralised service delivery. This change aimed to remove the isolation of management accountants, whereby they would "*surface only to discuss the monthly accounting figures with business managers, if at all*" (Hopper *et al.*

2007:117). Decentralisation suggests that power, authority and decision making is devolved from a central function and outwards to other functions within the organisation. These functions are then empowered with greater autonomy to make the necessary decisions for their own and the wider organisations benefit. Here, the decentralised management accountant would be part of the local team and fully participate in the decision-making activity of that team. Decentralisation, with decisions being made closer to the activity, should empower individuals and teams, thereby increasing motivation and job satisfaction. Indeed, "*The enhanced information flow, combined with proximity of decision making to the team, improves team member's ability to make and influence decisions*" (Hempel *et al.* 2012:479).

Other authors argue that a dilemma exists in having management accountants acting in a business orientated decentralised role, whilst also expecting them to act as corporate policeman. Thus the question is raised, "i*s the role of policeman consistent with the role of active participant in the business decision-making process?"* (Lambert & Sponem, 2012:568). An issue raised in this research is the expectation that the management accountants would wear their central finance 'hat' at the expense of their faculty accountant 'hat'. The issues caused by this particular dilemma and the consequences for job satisfaction and motivation are discussed in chapter five**.**

Impact of organisation culture on accounting practice

There is wide variation in the understanding of organisational culture, however,

Alvesson (2013:4) suggests that

> *Culture is central in governing the understanding of behaviour, social events,*
> *institutions and processes. Culture is the setting in which these phenomena*
> *become comprehensible and meaningful.*

Jarvenpaa (2007:106) concluded that accounting carries social meaning "a*ccounting is a*

cultural object and constitutes culture". Whilst, Burns and Scapens (2000) suggest that

management accounting practices can be regarded as organisational routines and, as

they are enacted and reproduced through time, they become institutionalised. Within

organisation sub-cultures there is a perception that the world is viewed in a particular

way, with different professional groups equally having different views of the world

(Jarvenpaa, 2007). Professional groups, such as accountants, may take a different view

to other professional groups when they engage in organisational activity, which can be

due to different priorities, assumptions and desired outcomes. Professional training and

experience instils technical and specialised language, ways of conducting oneself and

technical knowledge that members of other professional groups may not be familiar

with. The result of this functional specialisation is that barriers between the groups can

create communication problems.

With respect to a management accounting culture, Jarvenpaa (2007:110) defines it as:

> *A net that is formulated by deep basic assumptions, beliefs, understanding, sense*
> *making and values shared by the management accounting organisation. It is part*
> *of the wider organisational culture as well as wider national and global*
> *professional culture. The wider organisational culture has an effect on it and*
> *other organisational members have their own opinions about and attitudes*
> *towards accounting.*

Further, culture effects various management systems within an organisation, especially management accounting (Etemadi *et al.* 2009). The result is that management and accounting practices might be effective in one environment but ineffective in another environment or situation. An earlier study found that institutions within an organisation can shape activity change and potentially subvert its proclaimed intentions. Hence

> *How management accounting is practised, how accounting information is used, and the role of Accountants, depend on the institutions within the organisation* and therefore, *change which is not aligned with the existing institutions may be resisted and/or translated into practices which are consistent with those institutions. (*Siti-Nabiha & Scapens, 2005:47).

This research investigated how management accountants operated in a university context and how that operation depended upon, and was limited, by sub-cultures. For example, it may be the case that an individual operations manager is only allowed to control their non-pay budget, with the pay budget being held at a more senior level. This example could be magnified to the extent that management accountants are decentralised into operations teams and find they are performing different roles than each other, depending on local management team preferences. Hence, if each sub section of an organisation, for example a faculty, operates independently, this could lead to different management practices being implemented across the organisation. It, therefore, becomes difficult to impose management accounting change of a standard nature. This can be a cause of conflict and is discussed in further detail in chapters' five to seven.

Accounting operates within the organisational culture, with members and professional groups having expectations and preferences about what accounting can and should do, and how it should operate (Moll & Hoque, 2011). Hence, the individual management accountant's position depends on their occupations position within the organisation (Morales & Lambert, 2013).

2.6 Identity

Traditional views of identity approach the subject from a psychological perspective, viewing it as the qualities, personality, beliefs, looks and expressions that make up a person (Eysenck, 2015). In a form of self-identity, the individual 'self-construes' who they are, and where they wish to take their life, with the roots of their actions being derived from their ethnicity (Weinreich, 1986). In addition to ethnic origins, elements of gender are seen to form an important part of an individual's make-up, as are areas of religion and a person's work role (Weinreich & Saunderson, 2003). Sociologists equally refer to role within a person's identity, using it to help explain behaviour, along with the evolvement and learning of roles through personal experiences. As a general rule psychologists tend to refer to the concept as 'personal identity', whilst the term 'social identity' is more in line with sociological thinking.

The combination of idiosyncratic qualities and an individual's place within a group presents a broader view and is embraced within the field of social psychology (Hogg & Vaughan, 2013). Also of relevance is the field of cognitive psychology, which concerns an individual's ability for self-reflection, which is accompanied by a broader awareness of 'self' (Leary & Tangney, 2012). More recently, the field of cognitive psychology has seen the introduction of social neuro scientific models to illuminates the various constructs within social identity (Scheepers & Derks, 2016). Finally, the latest work by Hogg (2016) seeks to extend social identity to embrace the dynamic use of language as a clear element within social identity theory. Such a statement provides clear links with the social constructionists, who view language as a key element in shaping and forming the individual's world.

The earlier work of Erikson (1994) separated out the psychological components of ego identity, often referred to a 'self', along with the personal idiosyncrasies that

differentiate individuals, which is perceived as 'personal identity'. The collection or grouping of the social roles is seen as 'social identity'. The psychological approach invariably aims at the process of identity and how this is constructed over time, with a particular emphasis on the earlier years and with a key influence being a stable environment (Cote & Levine, 2002). Essentially the focus is on past, present and future. When confusion exists within a person, then the individual becomes prone to suffering an identity crisis, which often results in a lack of or decreasing in self-esteem.

One particular aspect of social psychology refers to how the personal self relates and coincides with their social world. However, the broad emphasis generally remains within the psychological domain, in that the interest is in using mental events to explain the individual's action within a social setting. Nonetheless, it is invariably the case that individuals draw their positive self-esteem from a sense of belonging or community (Cote & Levine, 2002). There is particular reference to social identity theory at work, with distinctions of in-groups and out-groups, which has the ability to affect how people evaluate colleagues' work. Further, during change, it is not unusual for individuals to reappraise their identity and move between groups (Kislev, 2012), especially when the change is associated with role significance and occupational status (Hurd, 2010).

More akin to ethnographic studies is the notion of identity within the field of social anthropology. In this approach identity is placed in a social context. There are two broad approaches within the anthropological discipline (Brubaker & Cooper, 2000). In the first, emphasis is placed on 'belonging' to a community through common ancestry characteristics, whilst the second seeks its roots in the area of social construction. Here, it is questioned whether identity exists as a naturally-given entity, with social anthropology holding the view that an individual's identity is mercurial, or pliable and subject to pressure from within the community.

Social identity theory has long been used to explore and explain inter-group behaviours and attitudes (Turner, 1999). Foundations of the theory postulate that social behaviour can vary along a continuum, with interpersonal behaviour at one end and intergroup behaviour at the other (Taifel & Turner, 1979). The argument is put forward that behaviours are likely to be governed by a compromise within the extremes. In addition, the approach examines those social constructs and factors that play the greatest part in influencing an individual's behaviour. Further, it is argued that individuals exert a desire to achieve a positive self-concept, or social identity, to achieve 'in-group' status and will become dysfunctional at work if this is not achieved (Haslam, 2001). To obtain a positive in-group identity individuals may adopt behaviours that help them succeed in their endeavours. Individuals may also dissociate themselves from a group, or where this option does not exist, can invoke an element of social creativity (Haslam, 2011), whereby they reconstruct their social boundaries, so as to gain a more positive image of themselves.

Social identity theory is not without its critics, or those that adopt a different standpoint, or emphasis. The broad theory holds that individuals strive to achieve a positive image for themselves, which has led other researchers to focus on the positive link between social identity theory and self-esteem (Hogg & Vaughan, 2013), with the concept linking-in with the prevalent in-group. Discrimination by the in-group exasperates the rejection felt by outsiders and is set to damage their self-esteem.

With respect to the workplace, research has shown that poor job security impacts negatively on an individual's self-esteem and their social identity (Selenko *et al*., 2017). Further, threats to job security, and hence identity, were found to have a negative impact on well-being and job performance. Using a political setting in South Africa, research by Meyer *et al*., (2016) found that oppressed social identities can be constructed during

periods of change, which is likely to be replicated in the workplace, where personal identity and status are important to individuals.

The diversity of approaches to identity serves to illustrate the elusiveness of the concept, with it being difficult to evaluate the phenomena empirically. Brubaker and Cooper (2000) argue that identity should not be seen as a category of practice, with it being more of a fluid and dynamic process that encapsulates the human qualities associated with self-expression and significant others within their community. One element that assists researchers is that identity is evident through aspects such as language, behaviour and dress, which are recognised by others in the social work space (Paul, 2015). However, within the community, recognition is dependent on a shared understanding of the symbols involved.

2.7 The identity of accountants

Perceived image

The image of accountants has for a long time been commented on in the literature, usually from the perception of non-accountants. Baldvinsdottir *et al.* (2009a:859) noted that "*the stereotypical image of accounting as boring and accountants as uninteresting and dull seems to have become commonly held"*. Even though, more positively, they also state that the role of the accountant is characterised by "*objectivity, emotional detachment, soberness and attention to fine detail"*. Accountants are sometimes characterised as being short-term orientated, focused on costs and not understanding the business. However, according to Jarvenpaa (2007) the role of the management accountant has expanded in recent years, leaving behind the historian-watchdog role and

moving to being a more internally focused adviser to management, who can assist in decision-making.

The extent to which management accountants can maintain control over their own work depends on their position, status and influence within the organisation (Morales & Lambert, 2013). Jarvinen (2009:1188) states that in organisations *"the occupational identity of the management accountant is associated both with accountant's role image and perceived role change"*. An example of the connection between occupational role and role image is the 'bean–counter' stereotype describing someone who focuses on recording data and reporting, rather than decision-making tasks. Friedman and Lyne (1997:20) define the term 'bean–counter' as *"an accountant who produces financial information which is regarded as of little use in efficiently running the business and, as a result, its production has become an end in itself"*. In a more positive light, however, Cataldo and McInnes (2011:128) suggest that: *"Attributes such as conservatism, reliability, and verifiability have held central place in the personal qualities associated with the identities of Accountants"*.

The negative and positive aspects of stereotype on accountants in popular culture can be summarised in five categories (Dimnik & Felton, 2006): (1) there are both positive and negative aspects to the accountant's image; (2) although accountants are often depicted as somewhat boring, in the past they have also been seen as competent and trustworthy; (3) different groups have differing views of the accountant's stereotype; (4) Accountants who work in public practice have a more positive image than those who work in business; (5) the complexity of the accountants' stereotype may be compounded by the relationship between accounting and bookkeeping; the two vocations have very different attributes, but are at the same time interdependent.

Perceived identity

Taylor and Scapens (2016:4) suggest that "*identity describes how group members define themselves and image describes how group members believe outsiders define them"*. Professional identities relate to personal and collective identities and are constructed via social interaction, discourse and within the contextual activities of their own group and other organisational groups (McGivern *et al.* 2015). As such, the dynamic social context of the organisation makes identity construction precarious (Alvesson, 2010). Indeed, in cases where the management accountant's roles change, they may suffer a crisis of identity if a situation arises where they fail to match the expectations of others in the organisation (Morales & Lambert, 2013). Such a situation can cause issues in the successful performance of the role, possibly resulting in the role being problematic and unrewarding. In such circumstances, the management accountants may be expected to undertake identity work to reposition themselves in a more positive light, creating a positive image of their role and work. Alvesson and Willmott (2002) discuss organisational self-identity and how it combines identity regulation and identity work. Identity regulation includes individual responses to induction, training and promotion policies of the organisation. Identity work is the continual forming, repairing, maintaining, strengthening or revising perceptions of the self in relation to others within the organisation.

The perception of failure or not meeting the expectations of others is, however, a very subjective matter. Indeed, image remains vulnerable to miss-recognition and even non-recognition by audiences across the organisation, which can undermine the hard work and effort that management accountants exert, to create a positive image. "B*eing vulnerable to the judgement and evaluation of others, subjects (management*

accountants) engage in a struggle for (identity) recognition'' (Morales & Lambert, 2013:229).

Concerns for prestige & legitimacy

Management accountants can sometimes struggle with low prestige in comparison to other professional groups within the organisation, often finding that they have to convince others of their expertise and importance (Hiller *et al.* 2014). This may have something to do with the typically perceived negative descriptions of management accountants, but another reason concerns the control over financial information (Ezzamel & Burns, 2005). Unlike financial accountants who produce externally focused financial information that is subject to audit and statutory regulation, management accounting reporting is internally focused. Although management accountants subscribe to a widely recognised professional body, (CIMA), they have not secured a legal monopoly over their work jurisdiction (Shafer *et al.* 2002). Their work is not subject to statutory regulation and, therefore, is more easily contested by management and other professional groups. Due to developments in I.T, these other groups are now more able than ever to access financial data directly, to produce their own management accounting reports. There is also the possibility of the groups using alternative calculations and reaching different conclusions. This lack of control over internal financial information greatly reduces the prestige and legitimacy of management accountants. In addition, professional groups with weaker formal professionalisation are perceived to be more vulnerable to critical evaluation and are strongly dependant on other insider's recognition (Alvesson, 2001).

There also exists rivalry and competing interests between different groups of accountants (Hiller *et al.* 2014). Conflict can occur between the decentralised

management accountants and those financial accountants who are based in central finance. Issues such as control over access to the finance system and the deliberate blocking of access to the finance system by centrally based financial accountants can emerge as rivalries develop. Issues concerning the format and presentation of reports; conflict over the interpretation of rules concerning allowable expenses and the withholding of profits on commercial income can all surface and are discussed in chapter five.

Due to their professionally qualified status and being members of an organisation that is non-professional, management accountants can experience split loyalties. They can, at the extremes, associate themselves with either their profession or the organisation. However, in reality their position invariably sits somewhere in between the two. Their position not only depends on their level of professionalism, in that they are unlikely to take a purely organisational viewpoint at the expense of ignoring professional standards and training requirements, with potential punitive sanctions, but consideration is also given to their level of satisfaction with the role and their sense of place and acceptance within the organisation.

Management accountants seeking legitimacy will look for acceptance from other organisational groups within the organisation (Jarvenpaa, 2009) and will ultimately view their role as successful, if they perceive an acceptance from other groups and believe their contribution is positive and worthwhile. Likewise the opposite is likely to emerge if there is resistance to changes in management accounting activity and influence. Indeed, if changes to management accounting activity and influence are not legitimised by other organisational groups, professional competition may arise (Goretzki *et al.,* 2013). Further, Shafer *et al.* (2002) pointed out that some groups struggle with a loss of professional orientation as a result of corporatisation and so

experience a clash of loyalty to the organisation and to their professional occupation. Conversely, inter-professional conflict can occur in situations where employees with high professional orientation fail to meet the demands of the organisation (Hiller *et al.,* 2014). Major concerns related to meeting deadlines or demonstrating the expected level of obedience, or find themselves in conflict with organisational procedures and goals. The level of inter-professional competition recorded in this research is discussed in more detail in chapter six.

Concerns for maintaining professionalism

According to traditional theories, a profession is an occupation that has been granted a monopoly to deliver a particular skilled service (Shafer *et al.,* 2002) and which is regulated by a professional body (Hamilton, 2013). Professions are granted a statutory licence to provide a service and non-qualified people are excluded or prohibited from engaging in such activities. The level of skill and training required can prohibit laypersons from providing the service, for example those who have not undertaken the study requirements or built up the required work experience needed to achieve qualified status. Accountants begin to construct their professional identity during the training process, which continues to guide their thought processes and actions throughout their working lives. It is argued that "p*rofessionalisation is a socially constructed reality"* (Hamilton, 2013:38) and thus, is perceived as ambiguous, dynamic and affected by the changing organisational context (McGivern *et al.* 2015).

Therefore, each individual management accountant is likely to have different experiences and thus, understanding of their role and position within the firm. It is also apparent that their perception will alter over time. This research captures the thoughts and perceptions of a group of individuals during a particular period of change. *"The*

constructions that individuals build all tell different stories arising from what they bring to the process and result in different perspectives of the self" (Hamilton, 2013:39).

As mentioned above, developments and innovation in I.T have enabled all managers to become users of accounting information, to the extent that there is a reduced need for qualified accountants to analyse and explain accounting information to operations managers. It is also noted that management accountants have not been granted a statutory license to provide management accounting services, unlike other accounting specialists, such as auditors and tax advisers. In addition, there is less regulation for management accounting than financial accounting, which is mainly due to the internal nature of management accounting reporting. The next section looks at the affect that power relations have on the management accountant's role within the organisation.

2.8 Power

In relation to identity and role, the concept of power refers to an individual's ability to influence or control a given situation or person (Gee, 2011). The concept is usually separated from elements of coercion, with it being more akin to a form of influence. Within the work place, formal power is traditionally embedded within a hierarchical system, with a 'top-down' influence, whereby more senior staff influences their subordinates. It has long been recognised that an upward movement of ideas can assist an organisation (Handy, 1993), although the degree of power that can be exerted is invariably weak, especially when change is enacted.

In social psychological terms, the sources of power are expounded in French and Raven's (1959) work, which developed a schema to illustrate how power functions in controlling relationships within the workplace. Top-down power is referred to as

positional power, which is viewed as legitimate, in much the same way as is expert power, where the person with a greater understanding of a topic is often awarded trust and respect, which provides their power base. Galbraith (1983) took the earlier work in the direction of interpersonal relationships, dealing with the concept of 'power as perception' and expanding on relational power. In the first instance, power is viewed through the perceptual lens of the actors involved and, as such, is socially constructed. Thus, even what is referred to as legitimate power, needs to be legitimised through perception, whereby deviant individuals can enact change, although a successful outcome is dependent on an individual or group's ability to exercise their perception. The relational concept of power has parallels with referent power (French & Raven, 1959), in that it concerns the degree of influence held in relation to others, although referent power tends to emphasise the similarities within group power.

Both within and outside work, power is viewed as a form of social control, sometimes enacted in an informal way, to socialise individuals into obtaining standards that are acceptable to the group (Handy, 1993). Power is equally important during periods of change, where reorganisation can determine new lines of power and control (Gee, 2011), and where there is need for sensitivity, particularly for those employees who have their powerbase reduced. Another feature of changes in power, or indeed the whole change process, is effective communication (Guerrero & Andersen, 2007), which itself relates to social construction, as an aspect of change.

There is an acknowledgement that power exists within the social construction field, with a strong reference to perception and perceived power (Kraus, 2014). Indeed, whilst it can be viewed as 'only' a construction, it is an effective element of social relationships and a move away from the dominant concept of 'reality'. Perception provides the individual with the ability to ascribe power to another, for example a manager who is

perceived as pleasant, or efficient, after which they become subjugate to that person, although perceptions can change, with the ascribing of power being subsequently withdrawn. Whilst power has been categorised in various form, it is apparent that the phenomena is socially constructed and, for effective relationships to exist, a degree of reciprocity of perceptions is needed.

2.9 Impact of power and relationships

Being part of the institution

Institutions are defined as "*the shared taken-for-granted assumptions which identify categories of human actors and their appropriate activities and relationship*" (Burns & Scapens, 2000:8). These taken-for-granted assumptions are socially constructed, with institutions providing the basis for the relations and activities of its members. However, it needs to be recognised that organisations consist of many institutions, for example, those that exist between accounting and non-accounting activities. Institutions and groups may not share the same background or profession and may have different ways of thinking about and undertaking their activity, hence conflict and competing interest can develop, especially in situations involving change.

Influence of politics and power

Any change in the provision of accounting services is likely to be heavily influenced by political and power elements within the organisation. Indeed, the "*centrality of organisational politics and power mobilization is assumed*" (Burns, 2000:569). Organisational politics represent interpersonal relations (Vigoda-Gadot & Talmud,

2010), in which actors engage in activities aimed at maximising personal interest and benefits. Alternatively actors can minimise negative outcomes during negotiations, or if faced with changing circumstances and on occasions can secure favourable group or team interests.

Any change to practice implies a redefinition of the power relations and ways of knowing between the actors (Mork *et al.* 2010). Existing boundaries are altered and crossed during the change process, which has potentially both positive and negative implications. As a result, *"negotiating therefore becomes a central aspect of practicing"* (Mork *et al.* 2010:576). Similarly, Vaivio (2008) revealed that competing expert groups within a company can use management accounting information to gain the upper hand in internal battles for power and resources. For example, budgets and performance measures can produce unintended consequences if they are misunderstood, or fail to reflect real intentions, or are subject to game playing, or are manipulated deliberately. Internal departments can act as a barrier to change (Siti-Nabiha & Scapens, 2005) and the current research provides examples of competing interest and conflict between different groups, which are presented in chapters' five to seven.

Various authors have focused on the negative aspects of organisational politics (Meisler & Vigoda-Gadot, 2014), highlighting the possible impacts of reduced performance (Hosen & Hochwarter, 2014); job stress (Sonnentag & Fritz, 2015); job satisfaction (Saleem, 2015) and employee burnout (Karatepe *et al.* 2012). With respect to work, a three-layer framework of power is apparent (Hardy, 1996): the first layer concerns decision making power by controlling scarce resources (power over), whilst the second layer focuses on the processes of restricting and extending access to decision making. The third layer refers to how interest groups shape perceptions, cognitions and preferences, by managing meaning and shaping legitimate agenda. This framework has

been criticised as it could have accentuated the negotiated aspects of power to a greater extent "*as the uncertainty of change stems from multiple potential futures*" (Mork *et al.* 2010:577). Swan *et al.* (2002) suggests that innovation may cause conflicting interests, relating to process power (who is included) and the meaning of power (what ideas are legitimate). In a later study Swan and Scarbrough (2005:935) highlighted the importance of "*power to*" (encompassing both process and meaning) rather than "*power over*", as the critical factor in determining the outcome of innovation processes. Innovation can be viewed as a political act in which professionals negotiate to advance or defend their position within the activity system. "M*eaning and process power bring renegotiations to the centre of processes of establishing, changing or maintaining practices*" (Mork *et al.* 2010:578).

This renegotiation amongst professionals may depend upon contested knowledge and expertise. Indeed, in relation to the role of management accounting, Hamilton (2013:37) suggests that the power of professions is due to their technical knowledge and expertise, "*accounting professionals are seen to be technical experts*". However, the status of management accounting in organisations has been described as being weakened, due to the lack of statutory regulation of internal reporting. Further, the role of management accounting is to provide support to operations management, and thus, management accounting practice is invariably dependent upon and at the behest of operational managers. This dependence creates a power imbalance that diminishes the professional status of the management accountant and creates the context in which management accounting practice is enabled or constrained (Ratnatunga *et al.* 2015). Such a situation is relevant to the current research and is discussed further in chapters' five to seven.

Intra group ambiguity

The interaction and negotiation between different professional groups and operations management creates ambiguity due to contested knowledge, differing interpretations and situations, whereby self-interest and advancement of one individual or group takes precedence over others. This makes the achievement of any desired change difficult, due to the aims of the actors involved being at variance. There is likely to be persuasion from the groups involved to form a collectively agreed course of action. However, resistance can shape the activity, resulting in a situation in which the practice is not what was originally intended, with it being that which has been allowed to develop. In such circumstances "*ambiguity has three dimensions: goal ambiguity; authority ambiguity; and technology ambiguity*" (Jarzabkowski *et al.* 2010:220). Goal ambiguity arises from multiple parties having multiple interests in and interpretations, of the best way to achieve a particular goal. Hence multiple goals produce multiple interpretations and priorities to therefore compound ambiguity. Authority ambiguity relates to the power bases brought to the negotiations by different actors, enabling them to choose to negotiate in their own interests, irrespective of the influence of hierarchical power. Finally, technology ambiguity relates to the setting of goals without a clear means of achieving them. Without clear intention and means of achievement, the parties to the negotiation have more incentive to steer the negotiations towards satisfying their own interests, which may not be of universal benefit. "*Ambiguity presents an on-going, complex problem for organisations that are attempting to pursue collective action*" (Jarzabkowski 2010:221). Conversely, ambiguity can prevent agreement and action, due to multiple interests and multiple desired outcomes, but on the other hand it can provide a means for multiple actors to contribute their thoughts and preferences of a goal or change initiative, that may lead to multiple ways of progressing action towards achieving that stated goal.

Process of job crafting

Employees actively influence their own work environment to suit their own preferences and abilities. The process of shaping jobs to better suit individual preferences and abilities has been termed job crafting (Niessen *et al.* 2016). Job crafting can take the form of physical and cognitive changes made by employees to their role and activities within the organisation: "*Physical changes refer to changes in the form, scope of number of tasks, whereas cognitive changes refer to changes in how one sees the job*" (Bakker *et al.* 2016:170). In relation to these change concepts, individuals attempt to proactively improve their sense of comfort with the job, revise the meaning of their work and change their work identity (Parker *et al.* 2010).

Job crafting may not just be an individual action, but can depend upon the actions of others, who are included in the activity, whether that be line management or actors from other groups across the organisation involved in the same activity (Leana *et al.* 2009). Indeed, group job crafting occurs when actors have shared objectives or are part of the same small team operating as a community of activity. Such group crafting seeks to customise how work is organised and carried out amongst the team.

Three broad job crafting activities can be identified: task crafting, relational crafting and cognitive crafting (Wrzesniewski & Dutton, 2001). Task crafting is where employees decide to reduce or expand the number of tasks they undertake, alter the scope of the tasks or deciding for themselves how to best accomplish those tasks. Relational crafting relates to interaction with others in the workplace. Employees decide who they will interact with, more or less, and the level of effort they will make during such interactions. Cognitive crafting involves the process of employees perceiving their job and altering their cognitive representation of the job. Studies have shown that individuals who proactively undertake job-crafting activities experience enhanced

motivation and are more engaged in their work (Bakker *et al.* 2016; Leana, 2009). However, in reality, individuals do not actually shape their jobs; rather they merely adjust their perspective on those parts of the jobs that do not fit with their needs, abilities or preferences (Tims & Bakker, 2010).

2.10 Summary

This chapter began by presenting the role of the finance function and how management accountants form part of the group of sub-functions within it. Although the literature suggests a clear distinction between financial and management accountants, such role separation may not be as clear-cut in smaller organisations, where one employee might undertake both roles simultaneously. Thus, whilst an accountant, qualified or otherwise, can act as a service provider to operations managers, the format remains unclear.

The literature provided evidence for management accounting being an integral part of the finance function and whilst financial and management accountants share access to financial data, they use this information differently, to perform their defined roles within and beyond the organisation. A number of descriptors of management accountants are presented in the literature, both from within and outside the profession and it is this ambiguity, along with the negative descriptors associated with the 'bean-counting' stereotype, which represents a clear gap in the literature and one that is open to investigation in empirical terms.

Attention next turned a review of Role theory and a look at the development of management accounting practice, in particular the role of finance business partner and the change in perspective needed to fulfil this role successfully. The relevance of management accounting was discussed, along with the challenges that are faced in order

to maintain and increase the relevance of management accounting to an organisation. The concept of role, however, remains unclear, both with respect to personal and organisational positioning, and this gap in the literature will benefit from further questioning and investigation.

Associated with role, is the concept of Identity theory, which was reviewed in relation both to personal identity and those identities that are formed through the perceptual frameworks of others. The professional status of accountants and the levels of prestige accorded to accountants, along with their legitimacy in the organisation were perceived to be important, although there was ambiguity as to how the various elements interacted and manifest themselves.

Finally, the review explored the concept of Power theory and particularly those factors involved in creating a decentralised management accounting provision, along with the subsequent perceived loss of power in a management accountant's position. In a change situation, issues of control have been identified, with competing interests vying for business knowledge and information, which was previously the domain of the management accountant alone. The loss of identity, combined with changes in both role and relationships, are areas that present themselves for further exploration.

The areas of role, identity, power and relationships have been reviewed within the context of change, with it being apparent that complications exist in the creation of a finance business partner role. Such changes can equally materialise in power differentials and the impact on role, along with the concept surrounding an individual's identity. Indeed, it is the ambiguities and contradictions in the literature that provided the foundations for the research questions for the current study.

The next chapter considers the use of Cultural Historical Activity Theory as a framework for this research.

CHAPTER THREE

THE LENS:

CULTURAL HISTORICAL ACTIVITY THEORY

3.1 Introduction

This chapter presents an overview of Cultural Historical Activity Theory, to introduce the main components and provide a discussion of the historical development of the theory. The chapter then proceeds to the usefulness and problems associated with employing the theory, concluding with a discussion of the suitability of using a Cultural Historical Activity Theory framework as a lens for this particular research.

3.2 Overview of Cultural Historical Activity Theory

This research used Cultural Historical Activity Theory as a lens with which to explore the interaction between management accountants and the wider organisational community. It has been argued that:

> *Activity theory is a powerful socio-cultural and socio-historical lens through which we can analyse most forms of human activity. It focuses on the interaction of human activity and consciousness within its relevant environmental context.* (Jonassen & Rohrer-Murphy, 1999:62).

Cultural Historical Activity Theory was identified early on as being a valuable tool with which to seek an understanding of management accounting activity, across the university. Whilst Cultural Historical Activity Theory has its roots in psychological theory, its subsequent development as a multi-disciplinary theory has resulted in its use across a wide range of disciplines, including fields of social practice (Sannino *et al.* 2009). Cultural Historical Activity Theory is a practice-based theory involving researchers in having deep, long-term involvement, in the activities under investigation, together with direct involvement with the activities of the research participants. In this regard, the theory provides an ideal framework for insider researchers. The idea of practice-based research can be traced back to Marx's idea of revolutionary practice, in

which theory not only analyses practice, but also seeks to ultimately change that practice (Sannino *et al.* 2009).

The focus on practice within activity theory began in the 1930's with Lev Vygotsky's (1978) early work, involving children affected by the Russian civil war. In more recent times the use of Cultural Historical Activity Theory as a model for investigating organisations has been developed in many areas of research: Universities (Jarzabkowski, 2003); Hospital work (Engestrom, 1999a); Organisational computer use (Kaptelinin, 1996); Secondary School chemistry education (Van Aalsvoort, 2004); Graphic design practice (Tan & Melles, 2010); Jordanian Schools (Jaradat & Qablan, 2011); and teacher education (Bourke & McGee, 2012).

The development of Cultural Historical Activity Theory

Cultural Historical Activity Theory has progressed through three stages of development since its initial formation created by Vygotsky in the 1920's and 1930's. The first generation created the idea of mediation and is shown as a triangle in figure 3.1a. This outlines the direct connection between a Stimulus (S) and a Response (R) being transcended by a complex Mediated act (X). More typically this relationship is shown in figure 3.1b as a triangular relationship between Subject, Object and Mediating artefact:

Fig 4.1a   **Fig 4.1b**

S   R   **Mediating artifact**

X   Subject   Object
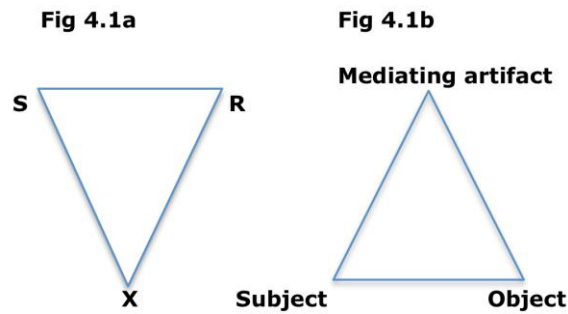
The perceived weakness in the first generation model was that it focused on the individual. Alexi Leont'ev further developed the concept, introducing a second-generation model that distinguished between the action of the individual and collective activity. Although Leont'ev never graphically represented his second-generation improvement, a recognised model is shown in Figure 3.2. His development of the initial model meant that the individual could not be separated from their cultural place and community activity.

Figure 3.2 Second-generation Activity system as developed by Leont'ev (Adapted from Engestrom, 2001:135).

Tools

Mediating artifacts

Subject   **Object** —Sense Making→ **Outcome**

Rules   **Communities**   **Division of Labour**
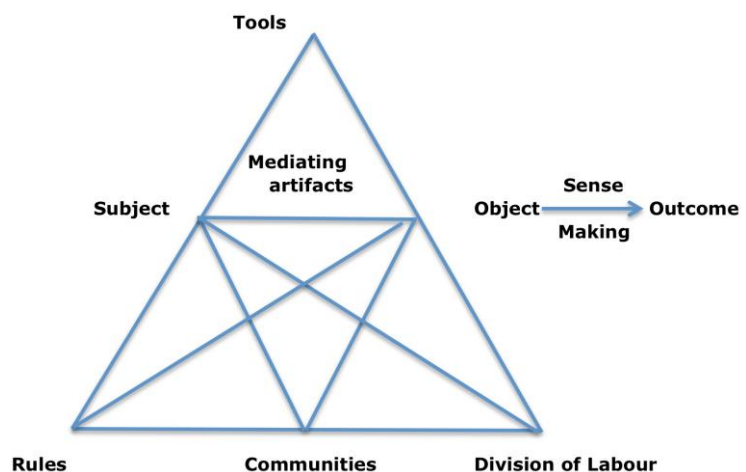
In describing this second-generation triangle representation, Engestrom (2001:134) reported that "*The uppermost sub triangle of figure 2 may be seen as the tip of the*

iceberg representing individual and group actions embedded in a collective activity system".

Figure 3.2 shows the first generation's top triangle, consisting of Subject (individual or group), object (reason for the activity) and Mediating artefact (tools: both tangible and intangible), now joined by a collective activity, with Rules, Community and the Division of Labour. Rules consist of the norms and conventions of the organisation, together with internal and external rules and regulations that guide the activity system, whilst community comprises all individuals and groups within the activity system, sharing the ultimate Object (goal) of the organisation. The division of labour refers to how tasks are divided and shared amongst the community. The individual's actions are now placed in a community of other individuals who share the objectives, along with the division of labour, with the individual subject(s).

Of particular relevance for this research is that within the community activity there is potential for multiple viewpoints, along with different priorities and methods for achieving goals, and ultimately the potential for conflict between individuals. The second-generation activity theory also recognises that any collective activity is likely to be subject to constant change and development over time, as individuals make sense of their activity and set out to achieve their individual and collective goals. Any activity system shares the historical context that has shaped and reshaped its present form. They are inherently dynamic and because they are object-orientated (Westberry & Franken, 2015); the community within an activity system have multiple perceptions of the object and preferred ways of achieving the object.

Activity networks

As Cultural Historical Activity Theory became more widely known, limitations of the second-generation became apparent to researchers. Whilst the first-generation was built upon Vygotsky's notion of mediation with the second-generation upon Leont'ev's activity systems, the third-generation was founded on the idea that an activity system is itself part of a wider system of multiple activity systems, which are focussed on a shared object. Engestrom (2001:135) explained that: "*The third generation of activity theory needs to develop conceptual tools to understand dialogue, multiple perspectives, and networks of interacting activity systems*". Indeed, the third-generation model of activity theory attempted to solve previous version shortcomings, which is outlined in Figure 3.3:

Fig 3.3 Third generation activity system (Adapted from Engestrom, 2001:136)
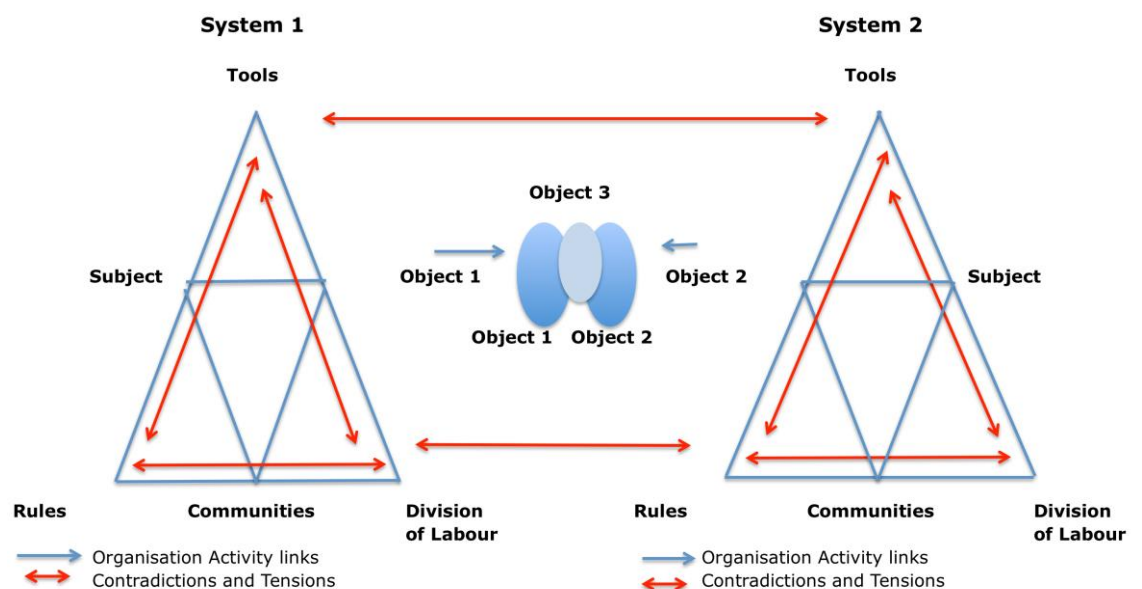
Third-generation Cultural Historical Activity Theory stresses the importance of multiple perspectives and combining networks of activity across an organisation. The object moves from its initial state (object 1) into a more collectively meaningful activity (object 2), ultimately develops into a jointly constructed activity (object 3). This process highlights that the objectives of an activity system are constantly moving and developing, there being a requirement for multiple perspectives and understanding, in order to achieve a collective goal. Contradiction is central to the development of activities, with multiple voices, ideas, and experience being expected to create development within the activities. The suggestion is that "T*here is no activity without object. The object embodies the meaning, the motive and the purpose of a collective activity system*" (Engestrom & Keruso, 2007:337).

With respect to the third-generation activity theory, Engestrom (2001:136) provides five principles:

1. *A collective, artefact-mediated and object-orientated activity system, seen in its network relations to other activity systems, is taken as the prime unit of analysis.*
2. *The multi-voicedness of activity systems. An activity system is always a community of multiple points of view, traditions and interests.*
3. *Historicity. Activity systems take shape and get transformed over lengthy periods of time.*
4. *The central role of contradictions as sources of change and development. Contradictions are historically accumulating structural tensions within and between activity systems.*
5. *The possibility of expansive transformations in activity systems. As the contradictions of an activity system are aggravated, some individual participants begin to question and deviate from its established norms.*

The third-generation of activity theory (Figure 3.3) acknowledges that contradictions will not only occur within an isolated activity system, but are also likely to exist across and between associated activity systems. Therefore, when analysing management accountant activity within an organisation, the researcher needs also to analyse the activity of the wider community. The researcher needs to examine who is engaging in what activity, why they undertake that activity, and establish what their motives and ultimate goals are in carrying out a particular activity. Another way of visualising multiple activity systems, and moving away from the horizontal nature of Figure 3.3, is to view multiple activity systems as being vertical and nested in nature:

Figure 3.4. Nested nature of activity theory dynamics (Adapted from Jonassen & Rohrer-Murphy 1999:67)
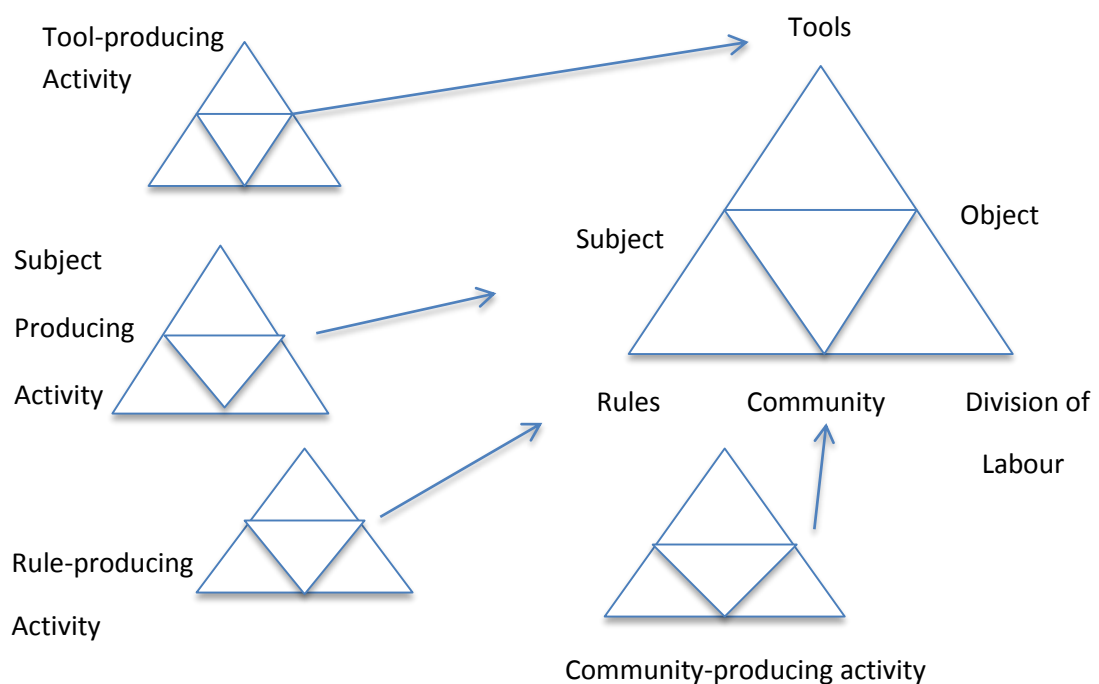
Figure 3.4 illustrates how an activity system is made up of wider activity systems that link into other activity systems, as each component of an activity is the result of the other activities that produced it. These networks are useful in analysing how organisations operate across the different internal functions and departments. However, they also raise issues concerning departmental and

function boundaries, and whether they are in fact as distinct as the illustration would suggest. For example, this research positions the management accountants (actors) as simultaneously being members of various communities. They operate via a blend of formal and informal relationships, on a full or part-time basis. Findings would suggest that no activity is distinct within the university.

Engestrom (2009:308) suggests that:

> *Third-generation activity theory expands the analysis both up and down, outward and inward. Moving up and outward, it tackles multiple interconnected activity systems with their partially shared and often fragmented objects. Moving down and inward, it tackles issues of subjectivity, experiencing, personal sense, emotion, embodiment, identity, and moral commitment.*

Third generation Cultural Historical Activity Theory has two central features, that of Polycontextuality and Boundary Crossing. Polycontextuality suggests involvement in two or more simultaneous activity systems. This was the case whereby the management accountants worked within central finance, the faculties and the management accounting function at the same time, on tasks that were sometimes indivisible between the activities (Engestrom *et al.* 1995).

In order to address contradictions and problems within and between activity systems, the activities of multiple systems need to be 'iteratively connected'. The systems can have differing tools, rules, language, generally having little in common, so the connected activity systems need 'boundary crossers', which mediate between them (Engestrom, 2009). In the current research, the management accountants acted as boundary crossers, negotiating the conflicting goals and priorities of multiple activity systems, across the university. Indeed, this research investigated the difficulties and complexities for professionals acting as 'boundary crossers' in a complex organisation.

Mediating artefacts

Vygotsky explained human activity as a semiotic process between the subject, object and mediating artefacts (see Figure 3.1b). The three elements in Figure 3.1b have a dialectical relationship through which they influence each other, in addition to the activity in question (Ryder & Yamagata-Lynch, 2014).

Engestrom (2001) considers a fundamental principle of Cultural Historical Activity Theory being as an artefact-mediated theory. Tools mediate human activity over time and shape and develop that activity into new ways of doing. Likewise, evolving human activity can change tools themselves. Similarly, the rules governing the activity system mediate the human activity, and are in turn modified over time by human interaction within the system. Cultural Historical Activity Theory enables the researcher to consider the way tools, rules, division of labour and other mediating factors are used and how they have developed over time. As Nardi (1996:14) states:

> *Activity theory proposes that activity cannot be understood without understanding the role of artefacts in everyday existence, especially the way artefacts are integrated into social practice.*

Figure 3.2 shows multiple mediations occurring within an activity system. The subject and object are mediated by the tools used in the activity. They are also influenced by other social mediators that exist within the community, such as rules, and the division of labour. The differing means of mediation can act in tandem with each other and a change in one is likely to reverberate throughout the activity system. With such mediation changes happening on a continual basis "*The activity system incessantly reconstructs itself*" (Engestrom, 1999a:66).

Influence of the dialectical process

Cultural Historical Activity Theory can be traced back to the theory of 'dialectical materialism', which has its origins in the progressing dialectical theories of Hegel, Feuerbach, Marx and Engels, which encourage a dialectical approach. Indeed, with respect to human social practice, Stensenko and Arievitch (2004:483) proposed that:

> *In these socially and historically specific cultural processes, people not only constantly transform and create their environment, they also create and constantly transform their lives. Such processes are the basic form of human life and relation to the world.*

Hegel's (1770-1831) dialectic suggests that every complex situation contains conflicting elements that destabilise that situation. Such a position cannot remain long-term, and therefore the conflicts have to be resolved. Once resolved, this then creates a new situation, although this will also contain conflicts, which will eventually be resolved to form yet another new situation. Hegel termed this ongoing process the dialectical and it consists of three stages (Magee, 2010:159):

> - Thesis: The initial state of affairs
>
> - Antithesis of the thesis: The countervailing forces and conflicting elements.
>
> - Synthesis: Here the conflict between the two resolves itself into a new situation, which sheds elements of both, but also retains elements of both. Because the synthesis is a new situation it contains new conflicts, and so the cycle repeats.

The process evolves, as conflicts are resolved time and time again. However, Hegel believed that a conflict-free situation might be reached, in which the lack of conflict would signify that no further change was needed. According to (Glassman, 2000:2):

> *Dialectics is possibly the most appropriate frame of reference for the study of human development, and indeed was actually developed as an explanation for human development.*

In developing Cultural Historical Activity Theory:

> *Vygotsky and his followers laid the foundation for a new dialectical-historical psychology around one unifying theme that the collaborative, transformative engagement with the world necessarily mediated by culturally evolved tools – human activity and its generic form represented by its productive nature – provide the very foundation of human development.* (Sawchuck & Stetsenko, 2008:341)

Tensions and contradictions within activity

Tensions and contradictions are central to activity theory, in that they manifest themselves as problems to be addressed and solved. *"They are the foundation for development and change"* (Postholm, 2015:46). Tensions are not accidental or arbitrary, rather they are inherent in human activity (Yamagata-Lynch, 2007). Tensions divert activity from its shared purpose either causing the activity to fail altogether, or become the reason for a change in the activity. As contradictions occur and are resolved, the activity system develops new ways of working. Over time contradiction within the activity system can be seen to transform the social forces needed to create change within the activity system (Decortis *et al.* 2000). Such changes occur on an ongoing basis and are by no means isolated occurrences. Once contradictions come to prominence, the activity system makes them the primary driving force for change and development (Roth & Lee, 2007). Further, the capacity for change in practice arises from the interaction between actor, collective and practical activity (Jarzabkowski, 2003). Since the constituents of the system may not hold similar interpretations, the rationale for strategic activity is beset by contradictions and is innately contested. Some contradictions may be largely latent, occurring only for some constituents but not surfacing as a contested interpretation of activity at the system level. These sub-system aggravations are likely to occur and be resolved without any change to the collective rationale for activity. However, when there are contradictions and contested

interpretations between constituents, these generate level tensions that provide an opportunity for changing interpretations about activity.

The potential for conflict and contradiction is an ever-present situation and the effect of such tensions is an on-going process within the activity system. Indeed, the key to understanding how and why an activity system changes "*is the realisation that the objects are constantly changing*" (Engestrom, 1999a: 66) that is due, in part, to the changes in the activity system itself.

The concept of expansive learning

Contradictions can refer to "*historically accumulated inner contradictions*" (Roth & Lee, 2007:203), not just surface level problems and tensions. Once identified, such inner contradictions can become the focus of change and development within and between the activity system(s). This is closely aligned with Engestrom's concept of expansive learning (Figure 4.5 below), which is the process of contradiction resolution. Participants in an activity system(s) question current practice, eventually progressing to new conceptualisations and new forms of practice.

Process one begins with the "*conflictual questioning of the existing standard practice*" (Engestrom, 2000:968). Within this primary contradiction the researcher attempts to define and establish what the actors view as problems and contradictions.

Process two, involves an analysis of the activity, leading to more articulated questioning and a deepening analysis and understanding. This secondary, 'double bind' contradiction involves the questioning of taken-for-granted practices between the constituents of the system, which leads to the necessary creation of a solution in process three.

Process three involves building on the analysis of the existing contradictions and formulating a new solution. It is likely, even at this stage, that differing opinions will be offered before settling on an agreeable solution and a new model of activity.

Process four is where the new model is critically examined and discussed, potentially leading to its ultimate rejection by some or all of the participants to the activity.

The fifth part of the process concerns the post-implementation phase, where tertiary contradictions between the activity and other activities are highlighted.

Process six provides a period of reflection, following implementation, as the actors share their experiences of the new model and view its success. Quaternary contradictions are highlighted.

This process is illustrated visually in Figure 3.5:

Figure 3.5 Expansive cycle of learning actions (Adapted from Engestrom, 2001:152).

7. Consolidating the new practice

Primary contradiction

1. Questioning

Quarternary contradictions

Realignment with neighbours

6. Reflection on the process

Secondary contradiction

double bind

2a. Historical analysis

2b. Actual-empirical analysis

Tertiary contradiction
resistance

5. Implementing the new model

3. Modelling the new solution

4. Examining the new model

The object of expansive learning activity is the entire activity system in which the learners are engaged. Expansive learning activity produces culturally new patterns of activity. Expansive learning at work produces new forms of work activity. (Engestrom, 2001:139).

Actors within and across the activity system question the taken-for-granted practices. They approach their questioning from a particular viewpoint and, thus, may differ or hold alternative views concerning the best way undertake a particular activity. This not only leads to contradictions being identified, but presents multiple possible solutions for resolving any identified contradictions. This dialogic process is an ongoing, continual process, of reshaping and redesigning activity from the differing perspectives of the actors within the activity system.

Value of Cultural Historical Activity Theory

Activity theory models activity systems as being socially and contextually bound together, as described from within a particular context and among a specific community. The community negotiates the division of labour over time, and then implements the rules using the available tools to engage in activity to produce the object and achieve the ultimate goal. The rules consist of formal and non-formal rules that the community follow, either individually or as part of the team

Cultural Historical Activity Theory enables the researcher to investigate possible issues at all levels of activity across the entire activity system, in this case a university. It also enables the social interaction to be analysed within the context of the activity system. The advantages of activity theory concern its multi-levelness, along with its ability to target different levels of the organisation and to highlight social interaction within the activity, in which it features the recognition of actors, mediation, historicity and constructivity (Kuutti, 1996; Issrof & Scanlon, 2002). Also, because the ideas of change and development are fundamental to it, Cultural Historical Activity Theory is able to take account of change. It offers a developmental and dynamic framework for recognising the features of human practices, taking into account the different viewpoints of the actors involved in a study (Decortis *et al.* 2000). Further, one advantages of using Cultural Historical Activity Theory is orientation towards "*qualitatively focused studies of real world practices, where the concern is to achieve depth of data rather than large sample sizes*" (Tan & Melles, 2010:475).

Problems surrounding Cultural Historical Activity Theory

Although advocating its use, Roth and Lee (2007:191) point out that:

> *Being an accommodating framework, rather than a set of neat propositions – has, however, produced varying interpretations of what legitimately constitutes Cultural Historical Activity Theory based research.*

Authors have suggested that Cultural Historical Activity Theory has drifted away from the original purpose and function envisaged by Vygotsky (Thompson, 2004), to a more community based focus of organisational activity theory favoured by Engestrom (1999b) and Blackler (2009), with the risk being that this approach focuses on groups rather than individuals. Hence, there is a need for researchers to "*develop a greater sensitivity to the competing influences on individual's interpretive activity, not social groups*" (Thompson 2004:589). Further, whilst Blackler (2009:23) acknowledges the increased interest in Cultural Historical Activity Theory he points out that "*it remains poorly understood and is still a specialised, marginal area of interest in this field*". The confusion surrounding the use of Cultural Historical Activity Theory may be due to initial translation problems, resulting for instance in multiple understandings of the term 'object' (Yamagata-Lynch, 2007). Some researchers use the term interchangeably to mean ultimate goal, the motive for undertaking the activity in the first place, or as a material product that can be grasped through the activity.

As a proponent of organisational activity theory, Engestrom (1999b) took the view that the original model was too restrictive and could not represent an individual's activity within a collective activity system. He, thus, altered the subject element of the traditional triangle from being an individual subject to a group, or collective of subjects, acting as part of a community. The intention was to explain the purpose of the individual's actions in transforming the object. "*It may be very fruitful to move from the*

analysis of individual actions to the analysis of their broader activity context and back again" (Engestrom, 1999b:32).

Blackler (2009) concurred with Engestrom's approach to organisational activity theory and the notion that organisational activity theory should focus on the individual within a collective activity system. Indeed, Cultural Historical Activity Theory is one of many mediating research tools (Nardi, 1996), and as such, it is inevitable that it will evolve over time.

The current research followed the later Cultural Historical Activity Theory models of Engestrom (1999b) and Blackler (2009) in that it investigated the management accounting activity within a single organisation, as a group activity. The researcher has not conducted the research solely surrounding his activity, but extended the study to embrace management accountant colleagues, who collectively function as subjects. Similarly, the research has deliberately involved members of the wider community and recorded the views of individuals. As Blackler (2009b:29) suggests:

> *Although it is individuals who experience the dilemmas, contradictions, and performance shortcomings of the systems of activity they work within, solutions can only be developed collectively.*

Some authors have commented on the restricted nature of the triangular representation of Activity Theory, although an important point is that:

> *Although the triangular model may seem somewhat rigid, it is only for the sake of representational simplicity and convenience. Remember that activity theory considers activities not as given or static but as dynamic* (Kuutti, 1996:33).

Another weakness of activity theory is that, whilst it provides a framework for explaining system continuity and change, it fails to identify how these occur (Jarzabkowski, 2003). Nor does the theory explain the origins of any contradictions in

the activity system, or what sustains these contradictions. Daniels (2006) followed this theme and suggested that a model was needed to aid the language of description.

The researcher was aware of the reported weaknesses but set out to demonstrate the nature and reasoning behind any identified current or past contradictions found in this research. Questions were asked concerning not only the individual's experiences of the activity over a number of years, but also sought an explanation of the reasons behind responses. Actors' responses provided detailed information covering a six-year period, which identifies the activities and the ways in which they have changed over time. Thus, the researcher can account for multiple viewpoints for the same activity, and highlight how contradictions were changed over time, along with the level of satisfaction, as viewed from a community perspective.

3.3 Conceptual framework

The conceptual framework of this research was developed by using Cultural Historical Activity Theory as a lens with which to investigate the perceptions of those actors involved in the activity systems of the University, with the resultant themes being identified from the template analysis of the data generated.

Cultural Historical Activity Theory recognises the social nature of activity, whereby multiple activity systems, which comprise of multiple perspectives and priorities, interact (Engestrom, 2001). Three key interrelated themes of changing role, identity and power relations, emerged from the template analysis. In Chapter two, role is identified as being socially constructed by the community and which develops according to community expectations and influence. Chapter two also outlined how actors seek a

sense of belonging to a community (Cote & Levine, 2002) and take steps to increase their positive self-image by associating with a particular group or community.

The influence of power relations within an activity system is aligned with it being socially constructed through the perceptual lens of the actors involved (Galbraith, 1983). Indeed, although power may be seen as 'power over' (Hardy, 1996) or 'power to' (Swan *et al.*, 2002), French and Raven (1959) argue that such powers need to be legitimised through the perception of the community.

All three themes were socially constructed by the members of the community. Further, this shared reliance on social construction, effectively highlighted by the lens of Cultural Historical Activity Theory, was used to create a conceptual framework for this research, which, within an activity system, draws attention to the interplay between role, identity and power relations (Figure. 3.6).

Figure 3.6 Conceptual framework: Interplay between role, identity and power within an activity system
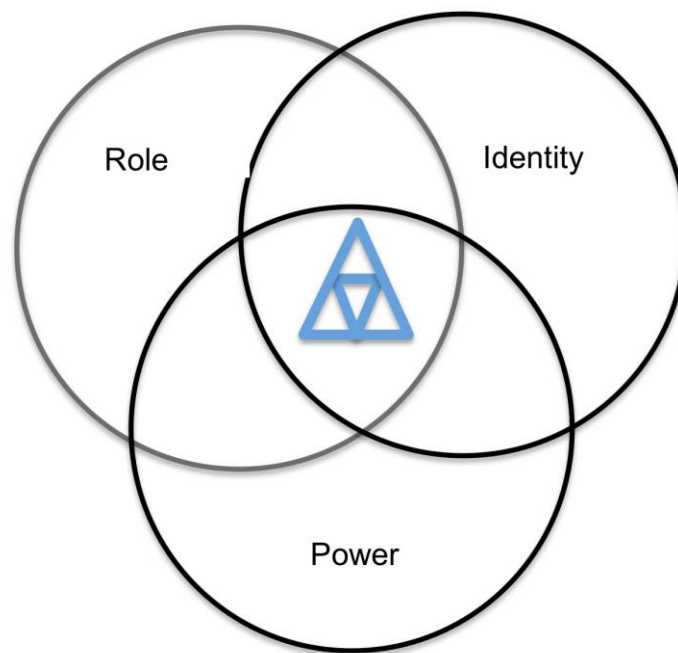
The conceptual framework illustrates how role, identity and power relations overlap within an activity system, which is signified by the 'activity' triangle at the centre of the diagram. This research, by employing an iterative template analysis process (Figure 4.1), has established that the change in role of the management accountants impacted upon the identity of management accountants, with both role and identity being simultaneously influenced by the power relations that existed within activity systems.

This iterative process led to the three key research questions:

1. To what extent did the restructure of the management accounting function affect the management accountant's role within the organisational community?
2. To what extent has the restructure of the management accounting function impacted on the management accountant's identity?
3. In what ways did the restructure of the management accounting function affect the perceptions of power within their community?

In Chapters five through to seven, the perceptions of those actors involved in the changing role of the management accounting function are discussed, which address the impact on the management accountants' identity and the influenced exerted by power relations within the activity systems.

3.4 Summary

This chapter introduced the use of Cultural Historical Activity Theory as the framework that provided a structured lens for the current empirical research. The activity systems were discussed to illuminate how the theory guided data generation and interpretation.

Cultural Historical Activity Theory has been identified as an appropriate tool with which to understand human activity, especially where a social constructionist approach

is adopted (Wahyuni, 2012). Qualitative research and Cultural Historical Activity Theory work well together with two reasons being identified (Barnard, 2010; Sam, 2012). The first argued that activities can only be understood in context (Jonassen & Rohrer-Murphy, 1999; Jarvinen, 2009) which suggests that the theory would be appropriate for an active participant study, such as an insider researcher (Hanson, 2013). Secondly, as well as using a social constructionist approach, the Theory also employs a variety of qualitative methods such as interviews, observations and documentation, which help understand the different perspectives surrounding the activity (Roth & Lee, 2007; Frambach *et al*. 2014).

Cultural Historical Activity Theory was identified as an interventionist research method and, as such, it was deemed appropriate for praxis-orientated researchers. The theory is seen to combine the active participation of researchers in a longitudinal research, during which changing practices can be observed and experienced. Thus, an insider researcher using Cultural Historical Activity Theory as a lens, with which to analyse an activity system in its everyday operation, is deemed to provide a valuable insight into the perspectives of individuals and groups operating within that activity system.

The predominant focus of recent literature concerns management accounting change, from the organisation's viewpoint (Siti-Nabiha & Scapens, 2005; Bardy, 2006). The current research, whilst acknowledging the important organisational effects of the change, focused on the shared understanding and language used by the actors involved. Further, the benefits of using Cultural Historical Activity Theory to structure the activity between the various communities, within the organisation has been explored.

This chapter has reviewed the literature pertinent to the development of Cultural Historical Activity Theory, to discuss the framework and it usefulness in gaining an understanding of shared activity within the context of higher education.

This chapter has developed a conceptual framework building upon the themes of Cultural Historical Activity Theory and the emergent themes of Role, identity and power relations within an activity system.

The next chapter explores the methodology and methods used to investigate the research questions empirically.

CHAPTER FOUR

METHODOLOGY AND METHODS

4.1 Introduction

This chapter presents the research methodology employed and methods undertaken to complete the investigation. It includes a discussion of the researcher's role in the research organisation, his position as an insider researcher and how he acted as an observing participant. This is then followed by an explanation and justification of the data generation process, the analysis process and how the 'self' influences the research. This is followed by a discussion of the ethical considerations and a final chapter summary.

Researcher's ontological and epistemological perspective

The researcher's ontological perspective was focused by his role as a management accountant within the research organisation. The researcher, as a qualified accountant working in the university, felt that he had a subjective view on his profession. He had enjoyed a long period of employment with the university, both before and after the decentralisation process, and had personally experienced the change in role that was investigated. He would be incapable of not somehow influencing the research and therefore does not claim impartiality. As Laughlin (1995:65) suggests "*It would be better for the researcher to be clear about the biases and exclusions before launching into the empirical detail*". This influence may also be evident in the choice of research subject, as not all universities or similar sized organisations, have undergone such decentralisation, nor implemented such a structure.

Epistemologically the researcher took a social constructionist perspective. According to Wahyuni (2012) an interpretivist/social constructionist approach believes that reality is constructed by social actors and people's perception of it. This research focuses on the

interaction between the individual actors within the university. The actors came from varying professional backgrounds, each having some shared and some differing experiences of working together in a university context, over different periods of time. Meanings are made through a relational process between people, which then becomes embedded into ongoing ways of speaking, which in turn may become accepted versions of reality in a particular local context (Burr, 1995). From the beginning, it was important to the researcher that this research was approached from a social constructionist viewpoint. The researcher was interested in exploring numerous and different interpretations of reality across the university, the meanings of which may be interpreted through the language and action residing in social practice (Dey, 1993). Similarly, Parker (2012:55) suggests that: "*reality is created by organisational actors' interaction with each other and their contextual environment*".

Using a social constructionist approach enabled the researcher to explore the language and individual or group behaviour behind inter-departmental tensions and how people's actions and thoughts changed during the period of decentralisation. The researcher believes that a qualitative approach enabled him to delve deeper into the realities of the research situation and consequently reach higher levels of understanding, taking the research beyond the textbook, economic or consultancy views (Vaivio, 2008). The social realities of the management accountants and their colleagues are illuminated as they shaped each other through their everyday interactions (Cunliffe, 2008). As Burke (2007:481) suggests:

> *As the goal of the interpretive researcher is about sharing the perspective of the groups, it is considered the most appropriate means of undertaking research based on people and information needs.*

4.2 Methodological approach

This research employed an inductive process (Woo *et al.* 2016) that is consistent with the ontological and epistemological position taken. Whereas a deductive approach is often theory driven, based on comparisons of various etic research studies, all using equivalent methods and theories (Polsa, 2013). An inductive approach is "*more a theory building approach, starting with observations of specific instances and seeking to establish generalisations about the phenomenon under investigation*" (Hyde, 2000:83). A social-constructionist approach, together with the researcher's insider status, implies a greater focus on the means by which participants' construct and understand their experiences and less on the frequency of measureable instances (Gioia *et al.* 2012).

Context is important to this research as it took place in an organisation in which the researcher was an employee and it includes a small sample of purposely selected participants, who were directly involved in the activity being researched. The participant's views, perceptions and actions are central to a deeper understanding of the process of a decentralised management accounting function. To this end, the use of Cultural Historical Activity Theory acted as a lens with which to investigate management accounting activity and the role of management accountants, and this is discussed in greater detail in chapter three.

Suitability of an insider researcher approach

Researchers studying part-time academic courses, whilst working full-time, often use their workplace setting as the site for their research project (Drake, 2010). The researcher understands fully how choosing to conduct research in one's own organisation can appear to be the easy choice, if not the only practical choice available. Access is readily available, the researcher is familiar with the organisation and the

people, and the research can be undertaken during normal working hours, without the need of a leave of absence to visit the research site, or to travel any distance to gather data. In addition, the researcher can make substantial saving on time and the cost of travel. Given the obvious advantages, the opportunity for a researcher to use of their own workplace is compelling.

Such insider research is important, as Watson (2011:204) suggests:

> *We cannot really learn a lot about what actually happens or about how things work in organisations without doing the intensive type of close-observational or participative research.*

An insider researcher approach is increasingly being utilised by practitioner researchers (Galea, 2009), whereby the researcher is employed by the organisation in which they are researching. The practitioner researcher conducts insider research as "*complete members of organisational systems and communities in and on their own organisations*" (Brannick & Coghlan, 2007:59).

The appropriateness of an insider approach depends on the researcher's proximity and level of access to the research data. Likewise, closeness to the research data, or membership of the group under scrutiny, is also likely to make an insider approach a more practically suitable research method. The insider is more likely to have had long-term immersion in the organisation and as such, can possess a high degree of understanding and awareness of organisational activity. In this research setting the researcher had worked for the organisation for twelve years and had personally experienced periodic minor role changes. Numerous structural changes to the researcher's activity as a management accountant were also experienced, although this research is micro-anchored (Alvesson, 2003) to one particular structural change that involves the decentralisation of the management accounting function.

The motivation behind insider research can vary from researcher to researcher; from understanding professional identity (Van Heughten, 2004); creating understanding and contributing to knowledge (Kanuha, 2000) and improving practice (Moore, 2007). This research was undertaken as part of a doctoral thesis where the researcher's interest in his changing professional role and work-place activity formed the basis of the research. The researcher had experienced various changes to his role over many years, and wished to develop a greater meaning and understanding of what seems to be the continually developing role of the management accountant. However, whilst undertaking insider research can have significant potential benefits, these are not automatic (Hodkinson, 2005). The key considerations of an insider approach are discussed below.

Researcher's role as an observing participant

The term at-home ethnographer has been used to describe researchers who investigate their own workplace. Alvesson (2009:159) defines at-home ethnography as "*a study in which the researcher-author describes a cultural setting to which he has a natural access, and in which he is an active participant*". This is in contrast to the outsider ethnographer who enters a specific research setting as a professional stranger.

Alvesson (2009) also makes an important distinction between a normal ethnographer being a participant observer, and the at-home ethnographer being an observing participant. The researcher strongly identifies with the description of being an observing participant, as in the period prior to commencement of the research he had been thinking more and more about his role as an accounting professional and how he was being asked to interact within the workplace. The researcher carried out his role on a daily basis to the best of his ability, but increasingly began to question himself about the role he was playing, along with his interaction across the organisation and the actions of

other individuals and groups. Thus, as an employee, the researcher did not act as a typical ethnographer. The researcher was not a professional stranger coming into the organisation to observe a specific activity in context. Likewise the researcher would not consider himself to be a participant-observer, as his professional role within the organisation always came first, rather than his role as a researcher.

In conducting his role as a management accountant on a day-to-day basis, the researcher acted as an observing participant. He was employed as a full-time management accountant and had to ensure that his day-to-day role was fulfilled, with any research activity fitting in and around formal work commitments. In any organisation the role of a management accountant is driven by tight deadlines, with working to a strict and inflexible timetable being the norm. If on occasions there was little time to undertake research activity, then it was postponed.

In undertaking an observing participant role the researcher also has to ensure that he did not make himself the central focus of attention, as in an auto-ethnography, but rather that the focus was drawn to the contextual activity in which he and his co-workers were engaged. However, according to McCurdy and Uldam (2013:41) such observations are "*not an impartial window into the motivations and rationales of activists and their practices"*. It is influenced by the researcher's relationship with the participants, the organisation and their understanding and interpretation of what they have experienced. In an attempt to maximise impartiality the researcher actively engaged in the systematic recording and documenting of his experiences during the research process. From the start he engaged with participants from across the organisation, so that any interpretation of findings was done with less emphasis on the researcher's personal experience and more of the shared experiences of his co-workers. The researcher also

made a conscious attempt to take a step back (Alvesson, 2009) throughout the process and look at events from a researcher's point of view.

Key considerations within insider research

An insider researcher can more freely participate, observe and blend into organisational activity than an outsider (Kanuha, 2000). They can more easily win the trust of respondents and are less likely to alter the research setting. The insider researcher has knowledge of the organisation and how it functions, which is often due to their long-term involvement. This acquired knowledge and experience can lead to richer data being collected, as the insider researcher uses his or her position and organisational experience to source relevant data, from purposefully selected respondents.

In this research, day-to-day participation across the university as an employee, meant being involved in (inter)/departmental meetings and conversing with co-workers, which provided access to numerous sources of potentially rich data. The length of involvement and experience are important factors that provide the insider researcher with a legitimate view of the history of the university (Hanson, 2013), on which to build research. Indeed, it is apparent that the insider has privileged access that cannot be replicated by the outsider's position (Galea, 2009).

The researcher undertook this researcher from a position of familiarity with the university and his co-workers. During his twelve year tenure the researcher had daily dealings with different people, at various levels of seniority and from different locations and functions. The researcher had observed individuals enter and leave the university, had seen people move departments, be promoted and demoted, and experienced numerous organisational restructures.

The issue of access can be distinguished between primary access, and secondary access (Brannick & Coghlan, 2007). Here, the insider researcher enjoyed instant primary access, as opposed to the outsider, who is obliged to negotiate primary access. However, the insider researcher may not enjoy secondary access, in that they may not be able to access certain sensitive parts of the organisation that have relevance to their research. In the current case, the researcher had good primary access to the university and was granted permission by the Finance Director to conduct the PhD research. Secondary access was also good. There were potential access issues, given the researcher's level of seniority and position within the university's managerial hierarchy, but no access blocks were enacted during the research process. However, this does not mean to say that all the people who were asked to contribute to the research did so, or with equal enthusiasm. Some invited Directors failed to respond to the interview request, which, given the reliance on purposeful sampling, resulted in areas of the university not being represented in the research. However, the number of non-respondents was small and those that did respond positively provide sufficient representation to offset the small number of refusals.

An interesting point is that just because the researcher is an insider, it does not mean that he or she has shared the exact same experiences of their colleagues (management accountants in this case) and certainly not the experiences of non-accountant contributors to the research crucible (Kanuha, 2000). The researcher was aware, from general discussions prior to commencing the research project, that his co-workers had had different experiences of the decentralisation process. This was viewed potentially as a major benefit to the research project, and in order to enhance the research each contributor needed to be purposefully chosen to contribute their unique experience of decentralisation. The researcher sought an emic perspective, taking each participant's experience and viewpoints as being as important as that of the researcher. This historical

aspect is something to which the outsider researcher would not have access. It is possible that an outsider researcher entering into an unfamiliar grouping would have to rely entirely on what he or she was being told, perhaps having a small number of key informants on which to base the research. Hodkinson (2005:144) points out that:

> *There is a danger that they may be drawn towards problematic interpretations by respondents who, through dishonesty, exaggeration or misplaced speculation, offer misleading or unrepresentative accounts.*

In contrast, the insider researcher's experience of the organisation is likely to assist them to contextualise the responses and judge the "*sincerity, motivations, applicability and significance of what they are being told*" (Hodkinson, 2005:144).

Issues of closeness and closure

There are difficulties associated with the insider approach, as the researcher tries to balance his time between that of researcher and practitioner. Tensions of role ambiguity, motivation and priorities are constantly on the researcher's mind. In particular, closeness and closure, along with issues surrounding the interview process are now discussed.

The researcher is aware of the problems associated with insider research. The term 'going native' is attributed to Bronislaw Malinowski, in relation to anthropology (Kanuha, 2000). In the 'native' approach the researcher is encouraged to move from an observational role to a more participative role, in order to further enhance their research. In more recent times, the term is often used negatively, suggesting that by 'going native' an ethnographic researcher has failed to maintain sufficient distance between themselves and their research subjects. Similarly, Hodkinson (2005) suggests that just

as outsider researchers may 'go native' and thus become unable to critically assess their data, the insider researcher has the opposite problem because they can be described as being native from the outset (Kanuha, 2000). The insider researcher needs to create distance from his or her research, possibly by at least partly 'going academic' (Alvesson, 2003).

In this research, the researcher's position was that of being a full participant and thus a long-term native of the university. The researcher did, however, make attempts to create distance by having regular discussions with his supervisor and fellow doctoral students, as part of a PhD learning and support group. The final distancing came when he left the employment of the university part way through the research project. This gave the researcher a complete break from the institution, and importantly, the distance and space needed to analyse and write-up the research.

Problems can arise when the researcher appears to change their role from employee and colleague to that of researcher (Hannabuss, 2000). It is thought that respondents may struggle to accept this change in role and, therefore, only disclose to the researcher what they would, if the researcher was in their normal role. They may also lack trust in the researcher, that their answers and comments will remain anonymous and confidential. This is something of which the researcher was extremely conscious. The respondents in this research were co-workers that the researcher was familiar with in his day-to-day role, as a management accountant. They in turn were used to him operating in that role. However, one of the reasons for choosing the lens of Cultural Historical Activity Theory was the structure that it provided to the research. This structure also extended to the interview process (see below). The use of Cultural Historical Activity Theory was an attempt to make the normal seem strange (Trowler, 2012), in that it provided a

format with which to view multiple activity systems within the university, along with the multiple voices of his co-workers.

4.3 The data generation process

The following section addresses the various data generation methods employed as an insider researcher.

Generation of material and data

The researcher employed a combination of qualitative data generation methods (Silverman, 2008). The researcher also believed that it was important to take an emic perspective and gain the views of his accountant and non-accountant work colleagues. This research purposefully chose both management accountants and operations managers to participate so as to provide an emic view of people working together in a higher education context. The resulting interviews offered various perspectives from management accountants, financial accountants and non-accountants.

The interview process

Research data was generated via semi-structured interviews. They are a frequently used research method in qualitative accounting research (Byrne & Pierce, 2007; Lambert & Pezet, 2010; Abrahamsson *et al.* 2011) and in this research act as the primary data source. The interview questions centred on the individual's activity within the university and how their activity linked across the various parts of the university. The interviews were transcribed and prepared for analysis. Initial coding was based on template analysis, a useful technique for analysing audio transcripts, documents, notes on observations and conversations (Horn, 2009).

First round of interviews began in March 2012, with nineteen participants from across the university, comprising management accountants, central finance accountants and non-accountants. The second round interviews took place in early 2013 and involved the same participants. The focus of the 2013 follow-up interviews was to establish how, if at all, recent changes in activity had affected the actors' perceptions during the intervening period between the two interviews. The interviews employed the same Cultural Historical Activity Theory themes.

Table 4.1: Interview participation by role type and date.

INTERVIEWEES	Management Accountants	Central finance Accountants	Deans	Faculty Managers	School & Service team Directors	Total number of interviews
Interviewed round 1 (conducted 2012)	**3**	**2**	**3**	**3**	**8**	**19**
Participants	M1-M3	C1,C2	D1-D3	F1-F3	S4-S11	
total population	4	2	5	5	24	
Interviewed round 2 (conducted 2013)	**3**	**2**	**3**	**3**	**8**	**19**
Participants	M1-M3	C1,C2	D1-D3	F1-F3	S4-S11	
total population	4	2	5	5	24	

n.b Resercher was the fourth Management accountant

The use of interviews is common in qualitative research as a means of gathering rich information from participants who share their beliefs, experience and thoughts. Although "*there are similarities across the interviews, each individual account in unique… and this uniqueness becomes a central element of the analysis*" (Highfield & Bisman, 2012:15). In addition to easier access, insider status may enhance the quality and effectiveness of the interview process (Hodkinson, 2005). Conversely, Hanson (2013) suggests that the closeness of the insider researcher can cause problems with the interview process, especially if the researcher relies on shared background knowledge and cultural understanding during the interview. There is a risk that the interviewer can become complacent and allow the interview to descend into a conversational

interchange, in which no attempt is made to extract useful information or insight from the interviewee. Alternatively, the interviewer may begin to discuss his or her opinions and ideas and therefore lead the discussion, or influence the responses from participants. To help alleviate such a possibility, the researcher purposely created structured interview framework (see Appendix 1) based on the Jonassen and Rohrer-Murphy (1999:70) template, using a six-theme process that links to the Cultural Historical Activity Theory framework. The researcher did not want his familiarity with the actors to turn the interview process into a conversational interchange; the endeavour was to avoid bias and researcher opinion, by probing and enquiring sufficiently of the participants. Indeed, ill thought out questioning can lead to superficial analysis and biased interpretation (Van Heughten, 2004), which was aimed at being avoided.

The use of a Cultural Historical Activity Theory framework casts light, not just on current activity and interaction, but also on past activities, looking at how the current activity evolved and was shaped and reshaped by the actors over time. The interview questions matched this longitudinal approach and sought to examine the views and perceptions of participants about their experiences prior to decentralisation and up to the present.

With respect to objectivity, the researcher needs to take steps to make the familiar appear strange, or unusual (Van Maanen, 2011). In this research the researcher created three specifically structured sets of interview questions, one set to be asked of the management accountants, another set for the financial accountants based in the central finance department and a third set for the non-accountant participants. This enabled the gathering of multiple insights of activity across the university and from different perspectives. The questions themselves were deliberately written in a naïve way, so as to give the actors the opportunity to answer each question fully, from their own

perspective, without the need to mention any potentially shared assumptions that they may have had with the researcher.

At the start of the interview process the researcher explained to the basic nature of some of the questions to the actors and the highlighted that they should assume that he knew nothing of their experience, nor had any experience of his own. The researcher then worked from the set list of questions, asking each actor in the same order. In practice, this structured approach worked well and the interviewees readily accepted the idea that the researcher would take a step back, in order to let them explain their experience of their activity.

In this research the respondents consisted of other accountants operating at the same level of seniority as the researcher, with the rest being senior managers, Directors, Deans and Pro Vice Chancellors who were all on higher grades. There were a couple of immediate problems with interviewing senior staff, which was in partly due to the researcher being a more junior, but was further compounded by the elite status of senior managers. There was a concern that respondents may, due to the researcher's lack of seniority, provide answers or comments based on researcher's position within the university. Alvesson (2003) suggests that when prestigious groups are involved in the interview process they can potentially control the situation and produce their own versions of the world. Similarly Mikecz (2012) noted that it is difficult to gain access to 'elites' and if access is granted, the elite interviewee has power and control over the researcher. "*Whereas in non-elite studies the researchers have the position of "expert" in elite studies those who are being studied are "in the know"* (Mikecz, 2012:483).

Another known issue with the interview process, although not exclusive to this research, is that actors can potentially provide politically motivated responses to questions by furnishing answers that create an impression of how they believe

reality 'should' exist within the organisation. "*Even truth telling may be selective and guided by ideas of the individual and collective interests of the interviewee*" (Alvesson, 2003:170).

During the interview process, whatever the level of seniority of the respondent, the researcher used his critical judgment in accepting what was being said at a critical level. The benefit of being an insider researcher was that the researcher's knowledge of the university and the actors assisted with the critical appraisal process. However, the ultimate aim was to get the actors to provide honest opinions and the researcher needed to be aware, if he was hearing a subjective or emotional viewpoint. The researcher's intention was that, by using purposive sampling and specifically choosing respondents across differing locations of the university, he could obtain accurate relevant information on which to base research findings and resulting recommendations

Accumulation of hardcopy data

The researcher printed off e-mails and collected hard copy written material he had received during the day-to-day activity of his management accounting role. This consisted of a varied mixture of e-mails from senior and non-senior co-workers, from across the university. In addition, reports and papers were collected during the research period, which have been used to contextualise the research. The researcher also included copies of minutes obtained from meetings that he had attended. However, in practice, much of his work as a management accountant, tended to operate on a more informal basis. As such, formal minutes do not exist and he therefore relied upon summary notes prepared post-meeting; using them to reflect back on his experience in order to further contextualise the research.

Observational data generation

The researcher kept a research diary based on his observations of his department's day-to-day role as management accountants. Unlike some researchers who are able to fluctuate and move in and out of being a complete observer to being a complete participant (Condell, 2008) the approach taken was solely as an observing participant. The result of this is that most of the observational data was recorded post-event, which related to meeting, telephone discussion, face-to-face discussion and e-mail communication. Such recordings were based on 'headnotes' (Condell, 2008) made during any particular event. The research dairy was used to record the nature of an event, sometimes backed up with hardcopy and an explanation of what had occurred. Detailed statements that had been overheard from other event attendees and his immediate thoughts and reasoning, along with conclusions about that particular event, were also included. The researcher recorded all relevant data collected during the research period. He also recorded his thoughts and reasoning behind personal observations of university activity, including thoughts about research methods and process. This procedure is similar to that used by Van der Waal (2009:35) who suggests the researcher updates their field notes on a daily basis "*in order to build up a record of the flows of events witnessed, the people talked to and any documents read during the research period*".

The researcher found that the printing of e-mails or inclusion of hardcopy documents, helped to jog the memory when he updated the dairy.

4.4 Analysis of the data

The following section discusses the chosen unit of analysis, which is followed by a justification for the analysis process.

Unit of analysis

The unit of analysis within this research is the meso-level of a group of management accountants and their colleagues in a single university setting, during a period of change. The particular instance of change under scrutiny is micro-anchored to the decentralisation of the management accounting department. This research investigated the implications and effect that decentralisation had on the management accountants and other groups across the university, by focusing on the views, thoughts and actions of selected actors who were directly involved in the activity. Purposive sampling (Horn, 2009) is a method that can quickly lead to saturation, as the researcher starts to hear the same information from different sources (Schwartz-Shea & Yanow, 2009). It was important for this research to take an emic perspective and include different views, not just those of the researcher, and not just that of management accountants.

One way of translating different social realities is through analysing language and social practices. This research focused on the meanings embedded in textual and verbal accounts, by scrutinising organisational documentary sources and local oral interviews, which enquired of people's personal histories and narratives. Specifically in the area of management accounting, Vaivio (2008:77) suggests that qualitative research "*can be credited with showing management accounting to be a context-bound practice... not just a universal, neutral and functional technology*".

Process of analysis

This research employed template analysis to analyse the collected data. Template analysis is a "*systematic and hierarchical form of thematic analysis that allows themes to emerge from the data as well as from a theoretical framework*" (Frambach *et al.* 2014:196). In this case, a Cultural Historical Activity Theory framework was employed. The researcher has analysed the collected data, listened to and transcribed audio recordings of the interviews, and, in addition, drew upon his observation research notes. At all times efforts were made to remain reflexive about his role in the research process. Themes were based on a six-theme process, which linked the Cultural Historical Activity Theory framework to the university activity (Jonassen & Rohrer-Murphy, 1999). The six themes sought to define and clarify the purpose of the activity systems and to analyse the structure, context, mediators and dynamics of the activity systems that was present across the university. Iterative coding of the data identified the six activity system components namely: Subject, Object, Community, Rules, Tools and the Division of Labour.

The process of iterative coding of data is illustrated in Figure 4.1:

Figure 4.1: Process of iterative coding of data.
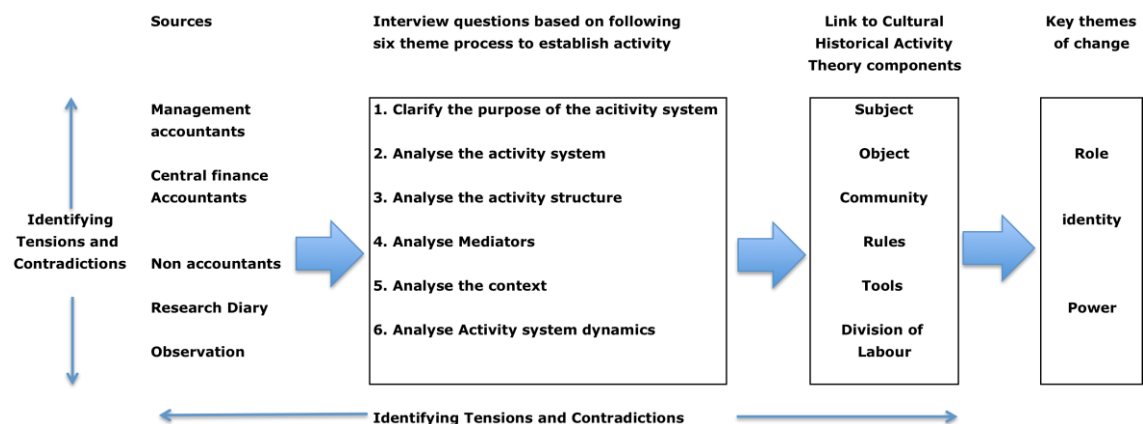
This iterative process enabled the researcher to investigate how activity was transformed over time, by using the complex interaction occurring between the activity system components. Instances of tensions and contradictions were analysed based on actors' comments during interviews, researcher observation as an insider-researcher and the generation of hardcopy evidence. Further coding resulted in the identification of the key themes of Role, Identity and Power.

Language and social practice

This research examines language and social practice (English *et al.* 2012), specifically looking at the language of decentralisation within the context of the history, environment and social setting in which the decentralisation occurred. The focus was on social interaction and practice, which combined the perspective of structure and the perspective of action (Fairclough, 2001). The focus on social practice sits comfortably with using Cultural Historical Activity Theory as a lens with which to investigate the socio-cultural endeavour (Gee, 2011) of the management accounting activity being undertaken by the different university communities.

Organisations are important places for language and the resulting action. Fairhurst (2009:1608) suggests that: "*language does not mirror reality, but constitutes it".* In addition to the verbal language, a collection of text was accrued in the form of correspondence, e-mails, organisational and system instructions, along with the published internal rules and regulations of the university. Every activity and interaction across the university can be identified as a social and activity driven process (Chia, 2000). Similarly, Cultural Historical Activity Theory is seen as a dialogic process, one of ongoing continual processes that reshape and redesign activity from the differing perspectives of the actors within the activity system. Further, studying the social world

enabled the researcher to analyse activity within the university context, by focusing the attention on social practices and associated power dynamics that exist within a workplace setting (Leitch & Palmer, 2010). Following on from the work of Foucault, Van Leeuwen (2016:141) suggests that "*Discourses are recontextualisations of social practices",* in that they view the real world of a university as networks of social discourse and practice, rather than a formal organisational structure. As Fairclough (2005:923) points out:

> *The concern in research is with the relationships and tension between pre-constructed social structures, practices, identities, order of discourse, organisations on the one hand, and processes, actions, events on the other.*

Evaluation criteria for qualitative research

Being an insider does not necessarily mean that an individual know all about the organisation (Trowler, 2012). The researcher recognised that his views and experiences as a management accountant could be different from his management accounting and non-accounting colleagues. However, by taking an emic perspective, the researcher included multiple explanations and understandings of observed reality (Lukka & Modell, 2010). This research is enhanced by a thorough description of source data, as well as by 'thick descriptions' (Schwartz-Shea & Yanow, 2009) that involve detailed and rich descriptions, not only of the actors' experiences of the phenomena, but also of the context in which those experiences occur. This research endeavoured to "*say valid and reliable things about the field, and develop a convincing account of the ways in which meanings and purposes relate to patterns of activity"* (Ahrens & Chapman, 2006:833).

Morse *et al.* (2002) provide a useful summary of the contribution made by Guba and Lincoln, in the 1980's, to the evaluation criteria for qualitative research. They

substituted reliability and validity with the parallel concept of trustworthiness, namely: credibility, transferability, dependability and confirmability (Lincoln & Guba, 1985). Wahyuni (2012:77) further discussed the four criteria of research trustworthiness used to evaluate the quality of qualitative research, adding; *"credibility which parallels internal validity, transferability which resembles external validity, dependability which parallels reliability, and confirmability which resembles objectivity"*.

This research has achieved trustworthiness in the following respects. Credibility was maintained by establishing the truthfulness and confirmability of the research through choosing the site of the research, based on the local actor's experiences of a decentralisation process. The research equally achieves credibility by *"evidencing prolonged engagement with participants, persistent observation of the work situation, peer participation and personal reflexivity"* (Morrow, 2005:252). Without this experience the site would not provide relevant data. Further, the actors were requested to review their contribution in the form of a draft summary, thus giving them the chance to clarify their comments, as recorded by the researcher. The research also included secondary documentation to substantiate or corroborate the recorded experiences, so as to provide back-up support, in terms of findings credibility.

The transferability of the findings is a decision for subsequent users (Highfield & Bisman, 2012), with the researcher providing sufficient detail to enable readers to make an informed assessment. Providing a thick description of activity and events, enhances transferability, and whilst this research is not reproducible, transfer to another research site is possible (Wahyuni, 2012). This research was aimed at a narrow group of individuals in a higher education context. Thus, it might not necessarily be possible to repeat this research, as it reflects reality at one particular point in time and depends on the idiosyncrasies of the researcher and actors. Such a phenomenon is backed by

Morrow (2005:2) who suggests that "*it is important in the presentation of the research not to imply that the findings can be generalised to other populations or settings*".

In this research the context is clearly explained, the positioning of actors is shown and the limitations and boundaries of the research are identifiable. The interview data is drawn from a variety of participants, across the university and is provided in reconstructed form to enable readers to appraise the applicability of the findings to other possible research settings. The dependability of a qualitative research study can be shown through acknowledging any changes that occur, in any aspect of the research and document, and how these changes influenced the research (Highfield & Bisman, 2012). In this research the researcher has highlighted the changes in his personal circumstances and how this impacted upon the research process. This research provides a detailed explanation of the theory and process followed, clearly showing the findings and how the data was summarised and reported. Any researcher interested in undertaking similar research in the future should find that they are able to follow the process and theoretical framework employed.

Ultimately, the validity of the results obtained from this research rest on whether or not the conclusions and recommendations make sense to the reader. If the researcher can convince readers that 'I have been there' (Lukka & Modell, 2010) and that the research is authentic, then it can argued that he has achieved emic understanding. If the research proves to be useful and assists other management accountants in determining options and making choices when contemplating or experiencing the management accounting decentralisation process, then this would suggest a degree of trustworthiness. The researcher has created an audit trail of information, data and research notes, along with dairy and reflections recordings, which will be stored as a complete record of the

research and in compliance of the Liverpool John Moores University (LJMU) (2014) Ethical Code of Practice.

4.5 The lead individual within research

The following section discusses the various factors to be considered when contemplating the lead individual within the research process, especially for an insider researcher undertaking qualitative research. Six factors are discussed, which culminate in 'leaving the field'.

Natural access

As an employee, the researcher purposively chose his employer as the basis of his research, similarly the participants were chosen for their shared experience of the decentralisation process. As a member of the university, the researcher was allowed primary access and also enjoyed secondary access through his role as an employee (Hanson, 2013). The researcher was fully open with respondents about the research project and, as such, undertook overt research. Also, being a well-known member of the university staff, in his capacity as a management accountant, he anticipated that his co-workers would assist him in the research.

The researcher enjoyed pre-understanding (Coghlan, 2007) of the university. He had accrued experience and knowledge of the university during his long period of employment, as well as accumulating historical knowledge and insights into organisational dynamics. He was familiar with individual personalities that comprised the university activity systems and his knowledge of people enabled him to purposefully

recruit the actors. This pre-understanding was found to be invaluable in understanding the research.

Positionality of the researcher

Positionality refers to "*how the self, impacts upon the data generated, but it tends to do so in a relatively safe manner by focussing on social categories such as gender, class, ethnicity*" (Punch, 2012:87). From this perspective the 'positioning' or 'social category' (Warden, 2013) of the researcher includes being a white male in his late 40's, a professionally qualified accountant with a post-graduate education. The researcher comes from an Irish working class background and was one of the first in his extended family to attend university. His qualifications and professional experience led to employment in the university being researched, and his experiences over many years led to the interest and desire to undertake this research. As such, the researcher's point of view and life experience influence greatly the research purpose, theme and methodology. The researcher acknowledges the pre-existing 'baggage' in terms of race, class and gender that all researchers bring to their research (Day, 2012).

In addition, researchers possess particular theoretical traditions and perspectives that lead to certain methodological practices being employed (Watts, 2006). In this case, the researcher approached his research from a social constructionist perspective. He was committed to his professional role and co-workers. The researcher's role formed part of a community of activity and anticipates that his research will ultimately improve understanding of the management accountants' role.

From a personal perspective, the researcher had another motive when initially deciding to undertake this research. There was a long-term career plan, with the doctoral thesis being seen as a way to eventually move from a practising accountant to the role of a

full-time academic. The research topic and the research site were easy, if not obvious choices and his interest in management accountants thus provided the topic, whilst his workplace identified the setting for the research.

Role and role conflict issues

As an insider researcher, undertaking an observing participant role, it was important to maintain a professional focus as an accountant, at all times. Acting as a researcher, in addition to one's regular organisational role, can be challenging and raise awkward issues for insider researchers (Coghlan, 2007). As a university employee, the researcher continued to function within the formal hierarchical organisational structure, as a management accountant. The researcher's role across the university involved a combination of formal and informal relationships, and activity that had developed over time, in particular since the introduction of the decentralised management accounting function. The result of this was that "*insider action researchers are likely to encounter role conflict in trying to sustain a full organisational membership role and the research perspective simultaneously*" (Coghlan, 2007:339).

Insider researchers may come to experience a sense of role detachment, with a feeling that they have become an outsider in both roles (Coglan, 2007). The researchers' experience did eventually bring a feeling of detachment from his accountant role, as well as from his work colleagues. To a great extent the researcher developed a greater interest in being a researcher, although the firm belief is his performance level as an accountant did not decline. He managed to maintain his professional involvement in the role, maintaining deadlines and output, it was just that he saw himself more as a researcher than participant. Paechter (2012:75) suggests that "*Insider positioning also*

necessitates the observation of oneself and one's relation to the research process; in this way, research makes outsiders of us all".

The insider researcher cannot ignore his or her emotional engagement with either his research or the work setting. During the research process, the researcher began to mentally distance himself as a researcher, which eventually culminated in him leaving the university, at which point an immense sense of freedom was felt. The researcher experienced difficulty in distancing himself from the emotional tie of being part of the management accounting department. His loyalties have always remained with his peers, although, less so with his superiors within the finance function. As Brannick and Coghlan (2007:70) observe, the researcher was caught between "*loyalty tugs, behavioural claims and identification dilemmas".*

The researcher's effect on others

On the one hand, the insider approach employed in this research was chosen because the intention was to show "*where I am coming from"* (Sykes & Treleaven, 2009:222). However, the researcher was determined to take an emic perspective. Thus, the resulting focus is not just on the researcher as an individual, but there is a concern for the community of practice in which he was working (Wenger, 2000). Sykes and Treleaven (2009:222) further discuss how, in much of social research, the researcher is "*hidden in the background, behind the scenes, with any visibility of the researcher regarded as an unwanted intrusion or error".* The insider approach and emic perspective used in this research is quite the opposite, and intentionally so. However, the close association and involvement of the researcher in the research setting does have implications for and impact on, those being researched. Issues concerning the interview process have been

discussed earlier, but there are also issues of proximity and the potential for colleagues to alter their behaviour in the presence of the researcher.

The researcher was overt about the research when inviting colleagues to attend interviews, and provided full details of the purpose and rationale. However, his personal research diary was a more covert process. The researcher did not discuss his diary with respondents, seeing it very much as his private thoughts and recollections. Holian and Coghlan (2013:402) discuss the possible effect on colleagues if they had become aware of specific content: "*If drawn attention to…. this could alter the circumstances, impact on behaviour, and contaminate this aspect of data collection*".

It is possible that colleagues would have been less open with the researcher if they had suspected that he was note-taking (mental and written) throughout the working day, recording what was considered relevant at the time about their actions, reactions and expressed thoughts. However, as an insider researcher care was exercised in distinguishing between the relevant and irrelevant, useful and not so useful material. The researcher's position as full-time staff, along with his pre-understanding, enabled him to sieve through the material in real time. Personal comments and name-calling were ignored, so as to concentrate on the material that informed the research project.

As a long-standing colleague, the researcher was trusted by many of the actors and no noticeable reticence amongst colleagues was apparent. Colleagues freely expressed their opinions on a day-to day basis, without the need for reassurance as to whether or not what they said would be used in the research. Indeed, respondents were aware that the research formed part of a doctoral research degree and similarly to Watts (2006:388) found that "*this appeared to be sufficient credentials in itself to persuade them of the intrinsic value of the study*".

Impact of organisational politics

Initially, the researcher was unaware of the possible political implications of the proposed research, beyond the initial granting of permission, by the Director of Service, to undertake the PhD. A brief discussion occurred where the plans were discussed and no concerns were raised from his superiors. Indeed, there appeared to be a degree of apathy from the senior management team in the finance function. Interestingly, however, a greater interest was generated from non-finance academic colleagues across the university. According to Brannick and Coghlan (2007:71) "*undertaking research in one's own organisation is political and might even be considered subversive*". The senior finance management team did not request progress reports, neither did they indicate that they would be interested in receiving a report of the potential findings. Thus, from the researcher's perspective, it is difficult to see how this research or his actions could be described as subversive, as there were no demands from superiors concerning the research or its findings.

This research recognises the university as a multiple activity systems of rules and regulations, which is interpreted by individuals and groups. Such social systems inevitably involve political dynamics, whether between individuals, groups or entire faculties, schools or departments. Therefore, this research had the potential to involve political dynamics. There is always the potential for individuals to undermine the research process and block access to data, indeed, "*gaining access, using data, disseminating and publishing reports are intensely political acts*" (Coghlan, 2007:340). With regard to this research, whilst access was unrestricted, not everyone who was approached volunteered to become involved. Their reasons are unknown, but the researcher has no knowledge of directors or managers preventing staff from participating in the research.

Those undertaking insider researcher have been referred to as political entrepreneurs (Bjorkman & Sundgren, 2005), with the behaviour of those involved requiring "*a repertoire of political strategies and tactics and a reflective self-critical perspective on how those political behaviours may be deployed*" (Coghlan, 2007:340). As an insider, the researcher was politically aware of those colleagues who he thought may raise barriers to the research. Fortuitously, the potential barrier from finance department management did not materialise. The fact that the researcher is no longer employed at the university enables a distancing of him from the political setting that surround the research base, and provides greater independence to disseminate and publish the findings.

Leaving the field

In the end, the researcher left the field at the same time that he exited the university. The data generation period covered a two-year span, which led up to his departure in 2013. During this research time two full rounds of interviews were undertaken as planned, along with observations and the collected of sufficient quantities of information, to reach the 'saturation' point for data generation.

Researchers who have encountered problems after completing their research, have felt compelled to leave their organisation (Moore, 2007), whilst the issue of researchers having to adjust their research findings, in order to retain their jobs, has also been raised (Brannick & Coghlan, 2007). In relation to the researcher of the current study, he was under no pressure concerning his research, and enjoyed a clean break from the university.

4.6 Ethical considerations

This section considers the ethical approach taken during this research project, which adhered to and draws from, the Codes of Practice for Research at Liverpool John Moores University (LJMU, 2014), and which is adapted from the UK Research Integrity Office own Code (UKRIO, 2015). There is also alignment with the Universities UK Concordat to support research integrity (Universities UK, 2012). In particular, the issues of informed consent are addressed (LJMU, 2013), in relationships with subjects, subject anonymity, identity protection and research data.

Informed consent

The LJMU's Code of Practice prescribes that researchers must satisfy themselves that: "*participants are enabled, by the provision of adequate accurate information in an appropriate form through suitable procedures, to give informed consent*" (LJMU, 2014:8). The nature of informed consent, along with the freedom not to participate in research, requires researchers to keep the human aspect along with the notion of informed consent, at the forefront at each stage of their research (Holian & Brooks, 2004; Markham, 2005; Paechter, 2012). In the current research project, the researcher was open about the aims when seeking people to participate in the interview stages. Although the actors were purposefully chosen, they were entirely free to decline the invitation to participate. The researcher undertook two separate rounds of interviews one year apart, and on both occasions the actors had the option to opt out. This process is consistent with the notion that researchers should continuously seek informed consent, during the lifetime of a project (Trowler, 2012). The on-going relationships with the research actors were a key issue, given the researcher's role as an observing participant. Relationships are now considered in greater detail.

Relationships with subjects

The researcher took his responsibilities seriously, and at all times stayed within the LJMU (2014) guidelines, ensuring the dignity, rights, safety and wellbeing of the actors. The intention was to do no harm, do good and acknowledge the autonomy of the participants (Watts, 2006).

As an insider, he was working day-to-day alongside the actors during the two interview stages. Great care was taken to ensure the protection of participant identity, as required by the (LJMU 2014) Code of Practice. A duty of care to colleagues, was also apparent, and whilst the close proximity is regarded as an advantage (Hanson, 2013), the researcher was aware of not taking advantage of his position.

There are, however, problems and risks associated with insider research. Interpersonal conflict can arise in long-term working relationships, or may develop once the research commences, as might a feeling of betrayal on the part of the organisation, senior management, or the actors. People may feel they are not adequately protected from identification and therefore live in fear of organisational retribution. Finally the process of leaving the field has been complicated for some insider researchers (Ortiz, 2004; Moore, 2007; Taylor, 2011). Indeed, insider researchers and their participants, need to be aware of the potentially negative impact on their career prospects and even their health and wellbeing that may arise from insider research (Moore, 2007; Holian & Coghlan, 2013).

The researcher did not encounter any major problems during the research process and undertook the research with integrity, doing all that was possible to protect the identity of actors. From time to time minor work related conflicts arose, although, none of the actors withdrew from the research, due to those work related disagreements. Indeed, all actors contributed to the research in a fully committed way. In this research project,

protection of others has largely been achieved by using anonymity to protect identities. Anonymity is now discussed in the next section in greater detail.

Participant anonymity

Guidelines are provided in relation to research involving people, whereby "*Researchers should ensure the confidentiality and security of: personal data relating to human participants in research*" (LJMU, 2014:8). Care has been taken to protect the identity of respondents, by referring to job function, so actors are labelled as management accountants, Deans, Directors and whether they are from central finance, a faculty or service team, although no reference is made to which particular faculty or service team they work in, nor is the participant's sex, age, length of service, level of experience or other fact that could potentially identify an individual.

To fulfil the LJMU (2013) 'informed consent' requirement the researcher described the research to potential participants and subsequently reaffirmed their consent prior to each interview stage. Participants were comfortable with this approach and generally showed little concern about being identified. It appears that participants trusted the researcher to keep their identities secret. Perhaps it is because it was always stressed to the actors that the interviews and conversations were private. Another reason may be that in his day-to-day role, as a management accountant, he was privy to much privileged and sensitive information. The researcher was always careful not to pass on any such information and always sought to maintain professional discretion. It was seen as a duty not to discuss actors' information with others, including in some circumstances, with line managers. The researcher has given much thought to anonymity and the balance between, consent, privacy and truth telling (Watts, 2006). However, when it comes to protecting the identity of the university then this may be more difficult. The researcher needs to accept

that the reader will invariably be able to identify the researched organisation, if they so desire (Trowler, 2012). Thus, the recommendation is that the researcher should "*only provide the anonymity undertaking that they can deliver*" (Holian & Brooks, 2004:10). The researcher took steps to anonymise the university and people involved, although Trowler's point is accepted. There is a degree of protection in that the researcher no longer works there, and his new role is academic, as opposed to his previous professional role.

Research data retention

According to, and in compliance of, the LJMU (2014) regulations on the generation and retention of data, relevant steps have been taken to provide secure data storage during the life of this research project. Requirements regarding the length of time for storing data will be respected, with LJMU (2014) Regulations recommending at least three years, following which computer files and written material will be disposed of in a confidential manner (LJMU, 2014). During the data generation process, the researcher ensured that an accurate data set was complied, in transcribing each interview personally. Also during the transcribing process pseudonyms were introduced at an early stage, to aid anonymity.

4.7 Summary

This chapter explained the ontological and epistemological position of the researcher, along with the associated stance on research. As an employee, the researcher chose to research his own organisation, with the implications and suitability of an insider researcher approach being discussed. The researcher's role as an observing participant was equally explored, together with the resulting implications for closeness and closure.

In addition to the natural access afforded an insider researcher, the organisation was targeted specifically for its changeover to a decentralised management accounting function, coupled with the on-going nature of the challenges being faced within the higher education sector.

Justification was provided for a combination of qualitative data generation methods being employed (Silverman, 2008) along with an emic perspective, provided by the inclusion of the actors from across the university, which included both management accountants and non-accountants. The sampling process was explained, which identified key informants and the subsequent range of views that emerged. The benefits and implications of the interview process were discussed in relation to the insider researcher and the level of seniority the researcher held in relation to many of the actors.

Issues relating to role and role conflict are discussed in relation to the researchers' pre-understanding of the university and his position as an insider researcher. His dual position, as a practising management accountant and researcher, is discussed in relation to the effect it could have had on the actors. The potential influence of organisational politics is also discussed, with the final section addressing the ethical considerations surrounding the study and compliance with LJMU requirements. The relationship with participants and their anonymity is addressed as a matter of utmost importance and the efforts made to ensure that no individual can be easily identified are reported.

CHAPTERS FIVE TO SEVEN

FINDINGS SECTION

Introduction to the findings chapters

The findings are grouped around three key areas of activity; the management accountant's community; the activity link between management accountants and central finance staff and the activity link between management accountants and faculty and service team staff. The findings are based on the data collected from nineteen interviews as outlined in the methodology chapter (chapter four). To ensure confidentiality a simple naming system is used to denote each actor's contribution. The three Management Accountants that contributed are referred to as M1-3; two Central Finance participants are referred to a C1-2; three Deans are labelled D1-3; three Faculty Managers F1-3 and eight Directors of school or service team are referred to as S4-11. A selection of vignettes has been included to highlight the personal experiences of the researcher and to share diary entries concerning the experiences of other management accountants. These shared experiences illustrate particular situations that the researcher and other management accountants found themselves working through, during the research process. Illustrative extracts are numbered and provide examples of the data collected. Statements from actors are not viewed as true or false, rather they provide an insight into the practices which constructed the objects within this particular activity system.

Participants worked across all areas of the university and to maintain confidentiality, no specific areas have been disclosed, the only description being a generic job title and whether the participant was from a Faculty or Service Team. Each section presents the collected research data illustrating the perceptions of those directly involved in the decentralisation process, together with an insider researcher's insight into decentralised management accounting. The activity relationships are further highlighted through the

use of activity theory diagrams, which show the interaction between the groups, during the research period.

Within each of the three key areas of activity, the following chapters also consider important themes associated with the finance business partner role by using three classifying themes: role change, professional identity and power relations. Individual accounts have been gathered together in order to portray sense-making in the context of a multiple activity framework and to explore the interpretive discourse, ideological dilemmas and positionality, of both accountants and non-accountants.

The longitudinal nature of this research required the actors to contemplate their experiences from the initiation of decentralisation in 2006, up to 2013 and the end of the data generation period. As outlined in chapter three, Cultural Historical Activity Theory was used as a lens with which to model the university activities. Recognising that a university consists of multiple activities, third generation activity theory was employed to model the developing activity systems (Engestrom, 2001). These discussions develop the research contribution to management accounting identity and practice, which are discussed in greater detail in chapter eight.

Chapter five now explores the Management Accountant's experience of decentralisation.

CHAPTER FIVE

THE ACTORS' VOICE, WITHIN ACTIVITY THEORY:
THE MANAGEMENT ACCOUNTANT'S EXPERIENCE

The experiences of the individual management accountants are shared below and have been classified into three interrelated themes of: role change, professional identity and power relations. Their experiences are to a large extent shared, although in some cases, there is evidence of wide differences. Individual examples have been included to provide a better understanding the lived experience of a university management accountant, during the transition to a decentralised management accounting function.

5.1 Background

The university introduced a decentralised management accounting function to improve the management accounting provision, by moving the management accountants closer to the operational management activities. The interview questions directed to the management accountant's differed from those asked of the other actors (see Appendix 1), in that they looked at the changing activity and explored their changing perceptions of their role, whilst working in a community of activity. Whilst the questions for the other actors concerned with management accounting activity, they were designed to provide a reference point, by furnishing the views of the wider university.

5.2 Key themes

The predominant theme presented in this chapter emerges from the interpretive discourse of the management accountants that is associated with role change and how such a change affected their professional identity. Focus is also placed on the extent to which power relations influenced the management accountants' new activity.

This chapter presents findings in relation to the first research question:

1. To what extent did the change in the structure of the management accounting function affect the management accountant's role within the organisational community?

The interrelated themes of role change, professional identity and power relations are now presented in greater detail.

5.3 Change

The use of Cultural Historical Activity Theory as a lens with which to analyse management accounting activity takes into account how that activity has changed over time (Frambach *et al.* 2014) and, as such, some discussion of management accounting activity prior to decentralisation is needed to establish context. Each management accountant had a different role prior to the implementation of the decentralisation process. Some management accountants were based together in the central finance offices, and for them, decentralisation meant not only a change in role, but also a physical relocation to a faculty, which were distributed across the city.

During the interview process the management accountants were invited to discuss their role prior to the implementation of decentralisation (Westberry & Franken, 2015). Most of the management accountants were based centrally, with shared experiences, although one Management Accountant (M1) is discussed here in greater detail, as their experience was different, which produced a stronger initial impact on their perceived professional identity.

Vignette: Research Diary note: The experience of M1 (revisiting the early days: Jan 2007)

M1 has been brought into finance under the new structure and now they are one of us. (M1 was the Finance Manager of a large service team but now they've been told that, because they now work for finance, they have to look after a faculty as well as the service team, exactly like all the other management accountants. Talking to M1 today, they're worried about how they are expected to look after two large areas. Historically M1's current role had never been line managed by the finance department and thus, for M1, decentralisation means not only a change of line management and reporting hierarchy, but also the additional responsibility of being allocated a faculty to cover (see later note). M1 has had minimal social identification with the finance department and no professional identification with the other management accountants, although I've worked closely with M1 for a few years now and we got on well, probably that's why M1 feels able to share their thoughts with me. M1 is really anxious though.

M1's view was that if the intention of decentralisation was to move management accountants closer to the operations management activity, then it didn't make sense to leave M1 with the same service team but then also allocate M1 a faculty as well. Decentralisation meant that M1 was being asked to locate to a Faculty for three days a week, and spending only two days a week on Service Team matters. M1 is wondering how to retain the same level of service standards if they vacate the service team desk and relocate to a faculty five miles away for three days a week. And is three days a week going to be enough time to do the faculty role?

It is worth sharing a dairy extract from 2012 to show developments with M1's role and position.

Vignette: Research Diary note: The experience of M1 (Maturity Nov 2012)

Just updating my diary on M1 and the difficulties they've faced in the last few years. M1's been proven right about how they are expected to split their time between the faculty and service team. In fact M1's been quite prophetic. M1's experienced increasing levels of tension and problems in maintaining effective working relationships with management from both faculty and the service team areas. If M1 could foresee the problems at the start then why didn't the finance senior management foresee the problems?

In addition, decentralisation meant that the M1 no longer reported directly to the

Director of the Service Team but to the Chief Management Accountant. This was

perceived as increasing distance rather than reducing it. It also resulted in a broader

role:

> **M1**: *I used to report directly to the Service Team Director. I had 4-5 staff and my
> role was autonomous. The role is now broader, I have moved to a Faculty and
> have less staff. Oh! and I now report into finance.*

Fig 5.1 Third generation activity system showing multiple activity systems connecting. (Adapted from Engestrom, 2001).
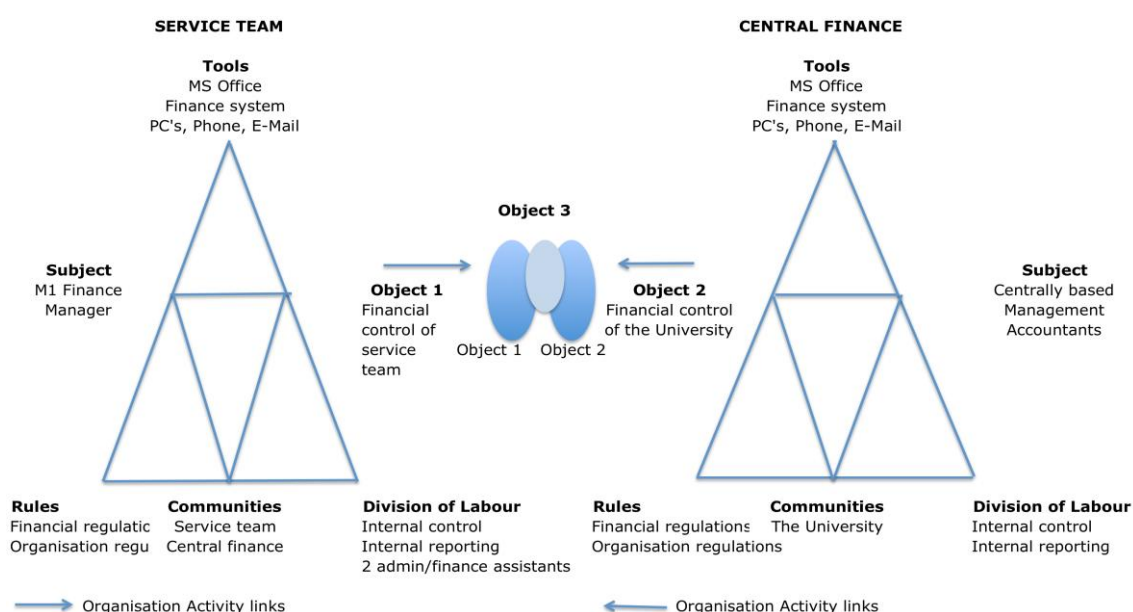
Figure 5.1 outlines the working activity prior to decentralisation in which M1 operated

within a service team, under the line management of the Service Team Director.

Alongside the service team is the central finance activity, which is shown on the right

side of the diagram. On the occasions where the service team liaised with central

finance their objects met in the centre to create (object 3) for example. There are

numerous examples of this, in relation to university-wide activity, such as pay

budgeting, expense forecasting and monthly reporting of financial spending activity.

The decentralised role of the management accountants is seen in Figure 5.2, which

outlines the multiple roles (Daniels & Warmington, 2007) they were required to perform under the new decentralised structure.

Figure 5.2 showing Management Accountant's multiple roles within the university activity system. (Adapted from Jonassen & RohrerMurphy, 1999).
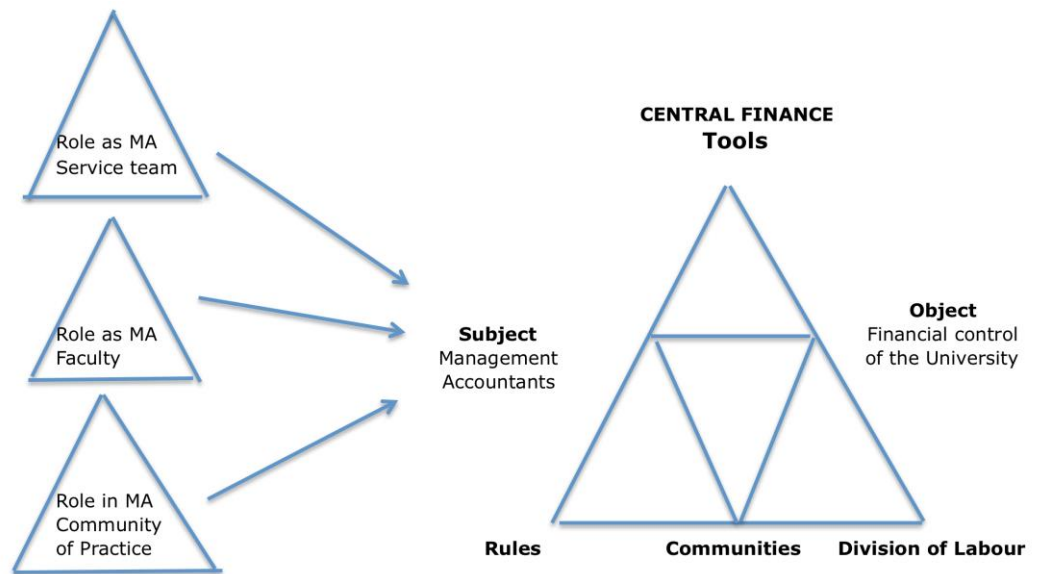
Figure 5.2 illustrates how each management accountant formed part of multiple activities across the university, whilst being line managed by the central finance department.

In contrast to M1, the other management accountants shared grouped experiences prior to decentralisation, in that they worked in central finance, although in different roles. To use the researcher's experience, he changed from leading a centralised team of four finance assistants, with responsibility for the central production of the university management accounting information, to a decentralised faculty role. Post decentralisation, finance assistants were retained and integrated into central finance. An important factor in the decentralisation process was that in addition to a faculty, each management accountant was assigned responsibility for a number of service team departments. Decentralisation meant that the restructured smaller management

accounting department came together as a community of activity Thompson (2004) that consisted of qualified accountants, from across the university. The Post decentralisation activity diagram is shown in Figure 5.3:

Figure 5.3 Activity system showing activity between Subject and Community. (Adapted from Engestrom, 2001).
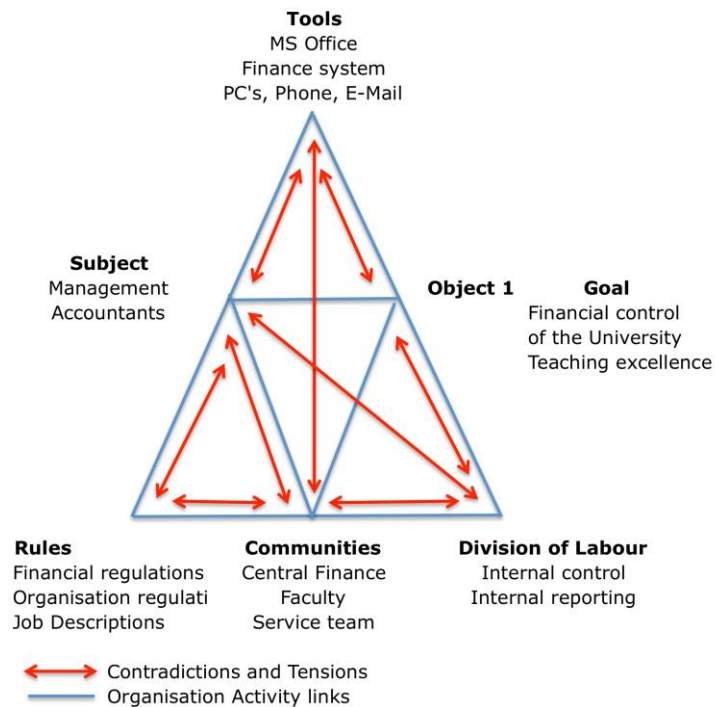
Figure 5.3 presents the new decentralised structure with the newly formed management accountant community of activity acting as subject. This is a top-level university-wide view that identifies the communities with which the management accountants interact with on a daily basis. The interaction and activity is shown by blue lines, whilst the red lines illustrate tensions and contradictions. Figure 5.3 identifies organisational activity as being mediated by internal and external rules, the tools that were used, and by the division of labour across the university. All activity ultimately led to the organisational goals, some of which are financial control and teaching excellence.

5.4 Professional identity

When the management accountants operated in their decentralised role the frequency of contact was reduced. Indeed, the geographical spread of faculties meant that there was separation of up to five miles distance between them. However, whilst some did maintain contact, predominately based on friendship groups rather than operational need, the majority would only come together for infrequent team meetings. Figure 5.3 illustrates the tensions and contradictions within and between, different areas of the activity system (indicated by the red lines). However, this research has established that within the management accountant's immediate group little tension existed, with the primary source emanating from their line managers. Management accountants expressed that, from the onset, a fundamental concern was the definition of their role. Prior to implementation, discourse with line managers had indicated that they were expected to function in a senior capacity, acting as a faculty accountant and holding responsibility for all areas of finance within the faculty (Trowler & Knight, 2000). Whilst a definitive job description was not provided, a tacit understanding was derived from numerous line manager discussions as to what was to be expected of the management accountants. As M2 succinctly put it:

> **M2:** *I've never been told what to do, I just got dropped off at the faculty and left to get on with it.*

Their view was that the new management accountant role promised empowerment, seniority and elevated status. In addition and given the importance of the proposed role, there was a shared expectation that it would necessitate a higher salary grade (Decortis *et al.* 2000). In reality, the job grading process designated the management accountants as a Grade 8 post and not the hoped for Grade 9. There was universally shared disappointment expressed by the management accountants with the grading decision,

which was perceived as a clear statement by senior management of the low value the university placed on the management accountant role. They perceived that Grade 8 gave the appearance that the university did not consider it as a senior role, despite the previous discussion with senior finance management, which were encouraging. There was a shared sense of disappointment and an emergent lack of trust with their line managers, with the perception being that they had not supported a Level 9 grading (Roth, 2014). This view, especially in relation to the grading of faculty managers, is highlighted by M3.

> **M3***: There is a big disconnect between the new role of director of operations and management accountant, both have a financial role within the faculty. However, one is at Director Level and we're a grade 8. How did that come about? Even at the start, the faculty managers were grade 9.*

The impact of the grading decision, went beyond the disappointment felt by the management accountants, and had wider implications for the management accountant group. Management accountants discussed how the grading decision established their position within the university seniority structure. Most importantly, because Grade 8 was situated below faculty peers, this established management accountants felt a reduction in status, particularly with regard to the people they were expected to influence as faculty accountants (Stetsenko & Arievitch, 2004). The literature identified commonly held negative views of accountants, in particular being described as 'bean–counters' and the resultant extent to which they struggle to overcome those negative perceptions held by operations managers. The management accountants thought that a higher grading would provide the elevated status and seniority, necessary to overcome any negative stereotypes, thereby enabling them to quickly adapt to their new faculties. The management accountants desired the confidence that a higher grade would provide, whilst equally cementing their position and value within the university. It was also

considered that a higher grading would communicate to faculty staff in general that the management accountant's role, along with their qualified status, was sufficient to warrant recognition by the university. Without the status that a Grade 9 would have provided, the management accountants were still required to influence operations managers, who all held higher grades. However, as M3 testifies, the management accountants were not being treated as an equal member of the Faculty Senior Management Team.

> *M3: My latest Dean has advised his Directors to remove me from their School Senior Management structure.*

From the onset, management accountants perceived themselves as junior members of the faculty team, with their social position and prestige being perceived as low (Migliore, 2015). M3 highlighted a problem that was not unique to them, as the researcher had also had experience with this particular faculty management team.

> *M3: A big problem is not getting information from faculties when you need it and being kept in the loop.*

The disappointing start to the decentralisation process resulted in the management accountants seeking support from each and coalescing as a community of activity, Thompson (2004) rather seeking solace within the wider university. M2 outlined their experience in replacing the researcher in one particular service team area. The quotation highlights the evolution process, as activity changed over time and the perceived lack of support from senior finance management.

> *M2:I look after that particular service team now, and I haven't suffered the same issues as you did, but that is because of how you dealt with them, they seem to have learned and haven't put me in the same position. However, I don't think their change in view has anything to do with what our line managers have said or done.*

Given this background, it may be surprising to hear that this research discovered that the management accountants did indeed enjoy their finance business partner roles. Nonetheless, the enjoyment was tinged with regret and disappointment that the role was not what decentralisation had promised.

> **M2***: To this day my role is what I have made it. Obviously based on what other people are doing (other management accountants) and you try to do the same.*

This quotation from M2 firstly focuses on the 'I' in their role, but goes on to suggest a strong awareness of their membership of the management accountant community of activity; they also purposely calibrate their activity through the shared practice of the other management accountants. Indeed, during this research, Management accountants generally spoke of themselves as 'we'. The perception was of acting together as a community and sharing the experiences, tensions and contradictions of the activity system (Issroff & Scanlon, 2002). M3's statement suggests the formation of a community of activity.

> **M3***: Central finance think we are the oracle of all things to do with the faculties. Conversely the faculties think we know far more than we do about central finance. We are always the outsider in the room.*

Such a statement inevitably led to the university being viewed as 'them'. 'Them' equally referred to the faculty management and to central finance, or which they were no longer an integral part. Two particular quotations highlight the shared depth of feeling for the relationship with central finance. This relationship is discussed in more detail in the following section.

> **M1***: The biggest problem with dealing with central finance is the blame culture. It is very much us and them.*

There was a concern expressed by all participants that the day-to-day role did not reflect the described given prior to implementation. Theoretically, they were all doing the same role in different locations and yet, in practise, this was not practiced on a consistent basis. For example, M1 attended monthly faculty senior management team meetings, whilst M2 and the researcher, attended infrequently, usually to discuss one particular matter only, after which they were expected to leave the meeting. Whereas, M3 found that following the appointment of a new Dean, attendance at senior management team meeting was discontinued. The lack of definition was expressed by some actors as a lack of direction from their line managers, which led to variation in the management accountant's activity within their location and allocated faculty. Hence, the perception arose that whilst management accountants held the same job title and salary grade, different activities materialised within their role. This is highlighted by the following example of reporting back to central finance management.

> **M2***: If we had better communication from above we would do a far better job. And if we were more consistent in what we did it would mean a better job. Consistent in that we are not often told how to do something, or if we are, we're not told why or exactly how to do it. Often it is all last minute and we send in our information separately and therefore in a different format.*

The differing activities were based upon what individuals perceived other management accountants to be doing and what they thought they should be doing, based on both their past professional experience, local demand and what was permitted. When the goal of the management accountants was explored, responses varied from concentrating on current activities and the need for relationship building. However, actor M3 identified a longer-term view of becoming a finance director or director of operations. For M1, whilst they did not know what the university's organisational goal was, they personally '*wanted to add value'*. M2 aimed to provide information that was useful, timely and accurate, and to foster relationships within the newly allocated faculties and service

teams. Such responses provide a good indication of *"the prototypical characteristics ascribed to professionals in the field"* (Hiller *et al.* 2014:672).

During the interview process responses to goals highlighted service provision, building relationships and 'fitting in' to the faculty management structure. This follows the pre-decentralisation language espoused by line managers, which stressed how the management accountants were to create impact, in their new faculties, through their technical knowledge and support of the faculty management structure. The researcher took this as an indication that building relationships was part of the management accountant's responsibility. One suggestion as to why management accountants might have to justify their position within the organisation is presented by Alvesson (2001), who argues that whilst management accountants are externally perceived as experts, due to their qualified status, within an organisation other non-professionally qualified employees, may hold superior status, due to their grade or job title. This situation did not assist the ongoing social positioning of the management accountants, in respect of their working relationships with non-professional faculty peers or the organisational elites. In exploring the motivation or de-motivational aspect of their work, all of the actors affirmed that they gained personal satisfaction in creating an impact and influencing decision making, thereby reconfirming the importance they placed on professional identification. A discourse of identity (Alvesson *et al.* 2008) centred on two factors: adding value to the customer and being accepted by the faculty management team. Responses in relation to this theme, were provided by the actors:

> **M1***: I aim to provide useful information that they can make decisions on.*

> **M2***: I try to provide timely and accurate information to help them manage their budgets.*

M3: *I'd be motivated by a salary increase! Self-autonomy and meeting budget targets at year-end.*

It is interesting that M3 was more vocal in their desire for greater financial reward, which sat alongside a driver for greater independence and seniority. In relation to whom comprised customers the management accountants were keen to provide useful service:

M2: *Customers are anyone in the faculty or service team that you are assigned to. I would also include people in central finance.*

M1: *The Students are the ultimate customer.*

The role of the management accountant and their operation within the activity system brought experiences of isolation and a perceived lack of support to some of the management accountants. M3 provided one example of experiencing isolation.

M3: *Yes I do take it personally. For example, at the start a situation arose and I was left out on a limb and got no support from my line management. (All the way up). There was a lot going on with dealings with the staffing issues, course viability issues. I thought it was the role of the Finance Director to be involved in this. But senior finance management got no-where near the situation.*

Other actors cited that a lack of support from their line manager and other senior finance managers, including the Finance Director, demotivated them.

M1: *I'm demotivated by a lack of support from central finance line managers and the Finance Director.*

5.5 Power relations

The following extract illustrates the researcher's experience during the initial phase of the decentralisation process.

> **Research Diary observation: Lack of status** *(Revisiting Nov 2006)*
>
> *I've had a very unpleasant start to the decentralisation process with service team Director (D1), who was very forceful and had definite ideas as to how I should be spending my time. The management accountants had no definitive instruction on what to do, other than spend approx. 3 days with the faculty and 2 days with the service team. My view was that you couldn't physically split your time as cleanly as 3 days here and 2 days there. The service team departments should not have been as complicated as a faculty and as such a lot of the service team work could be done from a computer based in the faculty. I knew I had to build relationships with the faculty management team and that was a priority for me. However in this case, a senior finance manager had informed (D1) that a management accountant would be located with them for two days a week. (D1) has taken this as gospel and has made my life hell since the start of decentralisation process.*
>
> *If (D1) doesn't know what I'm doing and where I am they (D1) are on the phone to me complaining and having a go at me for not being with them. (D1) tells me that they are my priority, not the faculty! Completely opposite from what my line manager has been telling us all. Unfortunately, the senior finance manager did not communicate this to me in advance. I've been basing myself in my allocated faculty, with the intention of being based there five days a week, approximately working on faculty matters for three days and service team matters for the other two. This arrangement had been discussed and agreed upon with my immediate line manager, and there was an element of flexibility as to the exact timing depending on demand and my workload. However, I soon found that I have been 'promised' to a service team Director (D1) for two days, who is now insisting that I relocate to their department for at least two designated days per week.*
>
> *The effect of this is to remove any notion of self-management, I'm no longer in charge of my own time-allocation and I've even been forced to identify which two days I'll be in (D1)'s department. This removes all flexibility from me, you can't stop half way through a faculty job and go and sit in the service team and start a new job, it doesn't make sense. The issue here, in the early stages of decentralisation, is that I'm trying very hard to establish myself as part of the faculty senior management team but somehow I've been undermined by my senior manager who's arranged without any consultation for me to be away from the faculty for two days a week.*

It was also suggested that the poor relationship with, and lack of support from, central finance was perceived as a demotivating factor.

> **M2:** *I don't think the impression they have of us is justified in any way shape or form. They slag us off for no reason, they blame us for no reason. So that demotivates me and frustrates me.*

This quotation highlights the sense of injustice felt by M2, along with other management accountants, that people in central finance did not value the contribution being made by the management accountants (Van Aalsvoort, 2004). For this to be directly identified as a de-motivator has serious consequences for management accounting activity within the university, as the tension here is between two areas of finance, rather than the expected area of relationships between finance and operational areas of the university (Graham *et al.* 2012). Linking back to professional identification, M3 reported that they were demotivated "*by routine, mundane work that didn't add value*". This perception is important in relation to the role that the management accountants thought they would experience in the new decentralised structure. Here, there is a sense of disappointment in how the role developed in practise. Management accountants took the perceived poor treatment, by individuals within the university personally. However, due to the absence of a detailed job description, that neither the management accountants nor others in the university could refer to for guidance, a vague impression was created around the management accountant role, which resulted in them struggling to justify their position. This resulting confusion was not something that the management accountant's perceived to be their fault. They had definite thoughts on the causes of the problem.

> **M1***: There has never been clarity of role. Finance have never defined what the parameters or scope is. So working relationships define the activity rather than a defined formal role descriptor.*

> **M2***: Finance have imposed the role of management accountant on the faculties. There does not appear to have been any buy-in from the faculties.*

> **M3***: The current Dean in my faculty has a very closed view of who should be on that management team and this is to the detriment of the university. I don't think you should operate with only an academic point of view.*

The perception is that the management accounting function has, for a number of years following decentralisation, been based on the power and influence of organisational Elites, who reside outside the management accounting function (Jarzabkowski, 2003). A shared perception of the uncertainty, arising out of the ill-defined role, extended not only from their line managers in finance but also to the wider university.

> **M3:** *There are no organisational expectations, or if there are, they are different and potentially conflicting.*

It is clear that M3 did not believe that clear expectations existed, although it was mentioned on a number of occasions during the interviews, that line management did express what the management accountants needed to do in order to achieve success. Specifically, in relation to central finance, M2 suggested that.

> **M2***: I don't know about expectations, but I think they like us there as a scapegoat for when things go wrong.*

Participants also reported that the annual staff-review process was infrequent, unreliable and had no follow-up process. There was a shared concern amongst the management accountants that, without formal feedback, how they were perceived by the faculty or their line managers in finance. Thus, whilst a formal performance review system was in place, the perception was that line managers did not taken it seriously, with resulted in it being perceived as a pointless exercise. Participants reported that when their previous performance review documents were not signed-off, the situation was ignored.

> **M2***: My last review was over a year ago, and in addition to that I am still waiting for my last two reviews to be completed by my line manager and be returned for me to sign off. So in effect, I haven't had one for three years.*

The lack of procedure was also commented on by M1.

> **M1**: *You fill in the paperwork, have a review meeting, and never hear about it again.*

The performance review process was perceived as a paper exercise and something that the line manager reluctantly conducted once a year, because it was a requirement. Further, when the management accountants were questioned as to how they measured their success, in the finance business partner role, no reference to the formal performance process was made.

> **M1**: *No one measures my performance. I'm left to my own professional devices.*

M2 provided an animated response to questions of performance measurement.

> **M2**: *What performance measurements? Is there any? I don't think there is! I don't think anybody monitors my performance!*

Whereas, M3 spoke more of relying on accumulated experience in performing their role:

> **M3**: *I think we set our own measures and we know ourselves what we need to be doing.*

There is also the suggestion that concerns for performance measurement and management, are only considered when a problem arises. M2 perceived the blame to lie in the actions of line managers in finance.

> **M2**: *We are managed by a reactive boss, not a proactive boss.*

One example of the expectations of treatment of management accountants by their line managers is conveyed in an excerpt from the researcher's diary. It outlines the experiences faced by one particular Management Accountant.

Research Diary observation of discussion with M1 (Feb 2012):

A couple of issues brought to my attention concerning another Management Accountant (M1). Main issue is one of time/resource. We are increasingly being asked by our line managers to provide accurate forecasts, and the Management Accountant in question prepared a forecast but his line manager wanted to include an additional comment on a particular Senior Management Group (SMG) report. (M1) said no, because the Faculty Dean would not want such a comment published. However, the comment was in fact added against the wishes of (M1), and hence the Dean.

The end result of this inclusion was that at the SMG meeting, the Dean made a complaint to the Finance Director. The Finance Director then communicated this back to (M1) in a general e-mail. A couple of days later the Chief Management Accountant contacted (M1) and asks what days they attended the Faculty, as the Dean had complained that "The Management Accountant is never here". (M1) discussed with me how they immediately thought that "Obviously, the Dean has been unhappy with the SMG report and has then made a complaint against me, citing attendance as an issue. Now my manager is asking how often I attend the faculty". (M1) saw this as a tit-for-tat reaction by the Dean as punishment for including the disputed comments. So is this an example in which the Dean, acting in their capacity as a member of the university elite, intentionally carried out tit-for-tat retaliation? And in that case, was the retaliation against the individual Management Accountant, or the system of decentralised management accounting? Was it easier to blame a management accountant because of their 'lack of status' as opposed to open conflict with the more powerful Finance Director?

Having discussed the situation (M1) involved it is clear that they have personalised the situation, which ultimately leads to major trust issues, not only between the management accountant and their Line Managers, but also between the management accountant and the Dean. Again is this us being caught in the middle? We often talk about being caught in the middle between central finance management and the faculties and service team management, and being in 'no-mans land'. The Management Accountant in question is fully conscious of the need to build, maintain and develop a good relationship with the faculties, but how is that to be done if senior finance management insist on reporting against the will of the faculties? And is it fair that the Dean then chooses to personalise the situation and find fault with the performance of the Management Accountant, who had in fact been trying to protect faculty interests all along?

This issue also raises issues for the professionalism and loyalty of management accountants, as it is clear that we have to behave as an insider and share the loyalties of the faculty we're in. We have to prove that we can be trusted, but this is a difficult position to be in if central finance are expecting us to be totally loyal to them when it suits them. You can't turn loyalty on and off to suit central finance. This episode highlights the tightrope that management accountants are forced to walk on, risking falling to either side depending on what was being asked of them and by whom. The finance senior management ignore our professional identity and the position we're in. We are powerless in the face of two groups of opposing university elites. The management accountants journey along a precarious path that required support and leadership from their line managers, but instead we're left at the mercy of organisational politics.

Another important part of this situation is the lack of support from our line manager as to the difficult place such decisions put the management accountant role within faculties. Senior finance management seemed to ignore issues of trust, and the effort that the management accountants had put into building relationships within the faculties that were ultimately based on trust.

A further issue of trust arose in this example in relation to the complaint from the Dean, as the Management Accountant's line manager appeared to place great distance between himself and the management accountant. "The line manager knows fully well how I split my time between the faculty and the service team, so why am I being asked to explain how I split my time?"

"My line manager also knew that it was because of their insistence that the comment was included, so why did they not offer me some support by seeking a resolution with the Dean on my behalf? Another question raised by the Management Accountant was why the Finance Director was informing the Management Accountant that the Dean was unhappy with the comments on the finance forecast report. Did the Dean not know that the Management Accountant had been forced to include the comment?

Perhaps the Senior Management Accountant did not make clear to the Finance Director that the comment had been included against the wishes of the Dean? At the end of the day it was inevitable that by inserting the comment the Dean would be unhappy and finance senior management should have managed the situation, by showing leadership and support for the Management Accountant.

5.6 Summary of the management accountant's experience

The first research question (Chapter one) addressed the extent to which the change in structure of the management accounting function affected the management accountant's role within the community. This chapter explored the interpretive discourses of the management accountants during the transition to a decentralised management accounting provision. The predominant theme of role change is illustrated by the discussion that surrounds how the management accountants made sense of their changing role, their professional identity and the influence of power relations within university activity systems.

Activity theory diagrams have been used to illustrate the management accounting activity, within the university, both before and after decentralisation (Taylor, 2014). The diagrams illustrate the different areas and sections of the university with which the management accounting team regularly interact during the course of their work.

In addition to highlighting elements of the language and interaction of the management accountants regarding their membership of the management accounting team, and their positionality within the university, personal stories have been used to illustrate and give in-depth understanding and meaning to their shared experiences (Postholm, 2015).

This research highlights individual experiences, showing tensions within the decentralised structure. Issues surrounding the setting of a perceived correct level of seniority for the management accountants, along with issues of leadership and line management support have been identified. At the highest level, issues of power relations with organisational elites and possible tensions between those functional elites themselves have been identified. All the management accountants cited a perceived lack of support from both colleagues in central finance and their line managers, which combined with feelings of personal failure and isolation. Motivating and demotivating

factors were explored, with a perceived lack of leadership impacting negatively on the management accountants' role. The perception was of little social identification outside of the immediate management accounting team, which led to the appearance of a close self-supporting unit. In addition, as a reaction to their perceived ill-treatment, the management accountant's perception was that they lacked identity with the wider university.

Chapters six and seven discuss in greater detail the relationships between the management accountants and central finance (chapter six) and the faculties and service teams (chapter seven).

CHAPTER SIX

THE ACTORS' VOICE, WITHIN ACTIVITY THEORY:

THE RELATIONSHIP WITH CENTRAL FINANCE DEPARTMENTS

6.1 Introduction

This chapter concentrates on the activity between staff in the central finance department and the team of management accountants. A particular focus is the tensions and contradictions created in the new management accounting structure that followed the demise of the management accounting department. The management accountants continued to be line managed by central finance management; they were not independent from central finance. However, they did form a distinct community of activity within the finance function, and, as such, experienced a different relationship within both the finance function and the wider university. Not only did this dependency have implications for the relationship building within the faculties and service teams, it impacted on their working relationships within central finance.

6.2 Key themes

Within this chapter, the predominant theme emerging from the interpretive discourse of the management accountants is one of identity and how a change in role influenced their professional identity. Attention is also given to the extent to which their new activity impacted on the power relations associated with the dynamic. Thus, the central focus of this chapter concerns the findings in relation to the second research question:

2. To what extent has the restructure of the management accounting function impacted on the management accountant's identity?

The following narrative presents in greater detail the interrelated themes of professional identity, power relations and role change.

6.3 Change

The Management Accountants all reported doubts and concerns, as to their level of acceptance and their sense of inclusion, within the wider central finance department. Figure 6.1 illustrates the major sources of the perceived tension and contradictions that existed between central finance and the management accounting team.

Figure 6.1 University Activity system, showing activity between subject (Management Accountants) and Community (Central Finance Department) (Adapted from Engestrom, 2001).
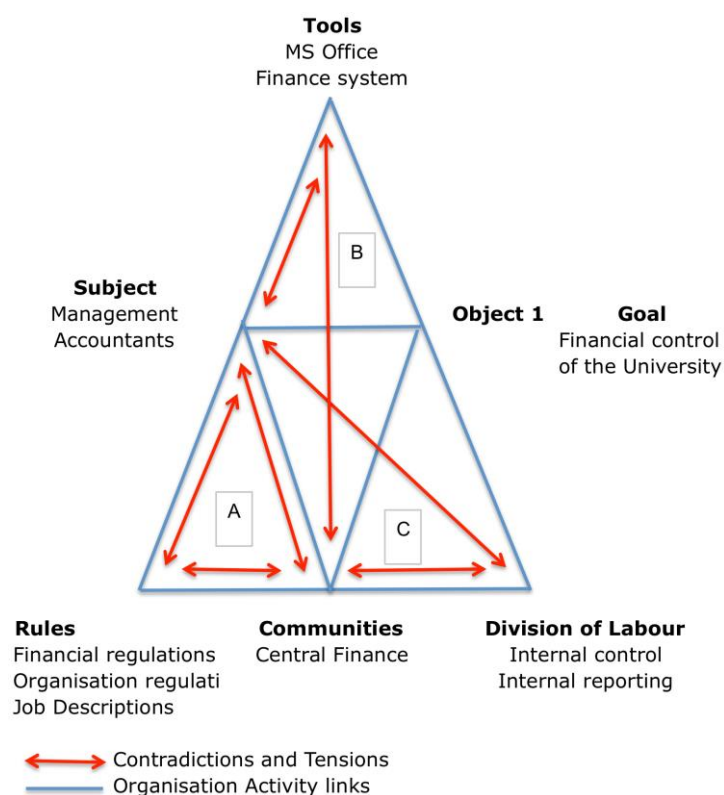
As with the previous figure, Figure 6.1 identifies the lines of activity in blue, with red being used to identify tensions and contradictions. For further clarification, tensions and contradictions have been labelled as:

A. Highlights an area of tension between central finance and the management accountants concerning financial and organisational rules.

B. Highlights an area of tension between central finance systems and the

management accountants concerning finance system reporting (Tools).

C. Highlights an area of tension between central finance and the management accountants concerning the division of labour, and responsibility for specific tasks.

The identified tensions are explained in greater detail in the following sections:

Tensions and contradictions A: Rules

The setting of rules is the responsibility of central finance management, with rules being implemented by the university in order to satisfy external financial requirements; they also maintain and guide internal activity. Figure 6.2 illustrates how university rules mediate the activity between subjects and central finance:

Figure 6.2 University Activity diagram, showing Rules mediating activity between Subjects and Community. (Adapted from Lee & Sparks, 2014).
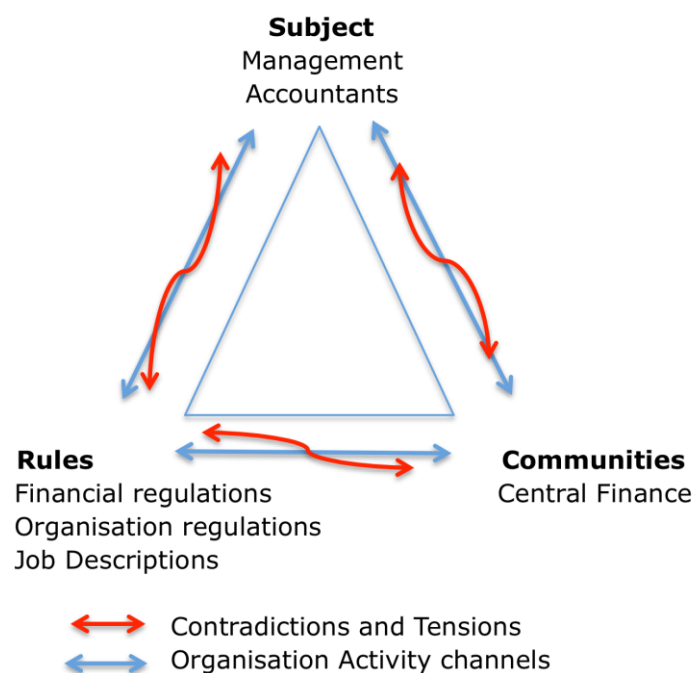
Part of the management accountant's role was to assist central finance in implementing the rules and regulations, to ensure university compliance. However, some rules were perceived as a source of confusion by both faculty management and the wider university (Avis, 2007). The following example highlights how a rule change by central finance was poorly communicated, along with the subsequent impact on the management accountants.

> **Research Diary observation: (Jan 2012)**
>
> *The new Finance Director announced a rule change at the university SMG team meeting this week concerning the residual income from Research and Enterprise Grants. Approval was sought to implement a rule that going forward central finance intended to take all surplus balances to institutional funds and out of faculty control. Unfortunately, it appears that not all Deans communicated this decision to their School Directors. Also there is a view amongst management accountants and others in central finance that the Deans were unaware as to exactly what they had agreed to, however unlikely as that may sound. Shortly afterwards an e-mail was issued from central finance to the faculties and management accountants stating that any rolled forward balances on Enterprise Contracts would be taken to central funds and that any surpluses on completed Enterprise Contracts would be similarly taken to central funds. There would also be automatic closure of Enterprise Contracts once their planned end date was reached.*

The management accountants sought clarification from the author of the e-mail, as they perceived that message was unclear, especially as it was addressed to faculty management. The response from central finance suggested that the e-mail did not mean what they thought it meant, and indeed, there was no reduction of flexibility after all.

Given the management accountants' role and their being positioned between the faculties and central finance, an immediate issue concerned the communication and the manner in which it was conveyed (Barnard, 2010). Following group and individual discussions with a central Financial Accountant (C1), the management accountants

understood that contracts would not be closed if there were a valid reason for them to remain open, which they communicated to the faculty management. Yet, following further discussions, which involved School Directors and central finance management, it became apparent that the contracts would be closing, with the promised case-by-case flexibility being discarded. A further development was that (C1) removed the management accountant's access to run the finance systems reports for the contracts in question, although this change was not conveyed to the management accountants. Having access unknowingly removed, directly affected the management accountant's ability to carry out their role and resulted in issues of professional identity, which are discussed below.

A further example of management accounting activity and tension within the university activity system concerns the relationships of faculty finance staff with their central finance counterparts, with tensions arising between the two groups (Taylor, 2014).

Research Diary observation: (Feb 2012)

Here is another example of activity tension reported to me concerning the treatment of Value Added Tax (VAT) certificates for purchasing certain medical equipment. Central finance has not been consistent in their dealings with faculty finance staff (and School Management). Central finance treated a VAT certificate application one way on earlier occasions, and then suddenly imposed stricter rules with later applications. The school staff followed their advice, only to find that they wouldn't issue the certificate after all.

To the mind of the faculty finance staff this confirmed their view that whereas they would try to fix or sort out a problem (Tension/Contradiction) for the faculty, central finance staff would not and would quote the rule book when it suited them, appearing to be unhelpful and immovable on occasion. In this particular example the language used in the e-mail conversation was interesting in that central finance were clearly trying to insinuate that faculty staff hadn't understood what they were saying. From the faculty staff's point of view they were getting an inconsistent message and no practical help.

This is one example, of many, where the management accountant became involved in an activity at a late stage, in order to resolve the associated tensions and contradictions. In this case a meeting with the Management Accountant and the central Finance Manager (C2) was needed to resolve the issue. During their discussions it transpired that the issue concerned the rules, rather than the official university supplier listing. Somehow both parties to this prolonged conversation had miss-identified the primary cause of the problem, a failure in effective communication.

Tensions and contradictions B: Tools (Reporting)

The management accountants had two main destinations for their formal reporting: one to the faculties and service teams, and the other back to senior management in central finance. Technical responsibility for maintaining the finance system operations lay with central finance, under the systems team management. Figure 6.3 illustrates how university tools mediated the reporting activity between subjects and central finance:

Figure 6.3 University Activity diagram, showing Tools mediating activity between Subjects and Community. (Adapted from Lee & Sparks, 2014).
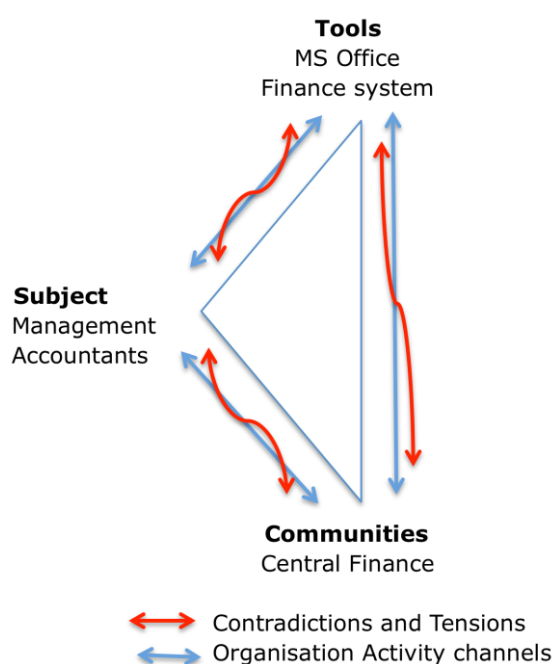
Much of the financial reporting was generated directly from the Oracle finance system, which produced standardised reports. In addition to the reports issued to faculties and service team management, the management accountants produced reports in a slightly different format, with the difference in reporting styles being attributed to the individual preferences of the management accountant's professional experience and judgement. The customisation of reporting was to fit the preferences of individual Deans, Directors and managers. The researcher outlines his approach:

Vignette: Research Diary: Reporting method

I regularly used Excel spreadsheets to reformat reports into a format that, either I thought would be more useful for certain individual managers, or a lot of the time had been requested to provide the report in a certain format by a particular manager.

However, at the other end of the scale, another management accountant produced only high-level summary reports.

> **M2**: *I provide the summary level reports, not any drill down details or anything like that. My expectation is that they (Dean, Directors, and managers) would do that. I would expect them to go into the finance system and find the detail themselves.*

Alternative suggestions were made to try and alleviate the tensions that the reporting cycle generated, particularly at the month end. One solution referred to implementing the Oracle finance system, so that individual managers and other non-finance staff could generate their own reports (Liaw *et al.* (2010). The tensions remained, with management accountants still being required to produce the reports. Perceptions differed, with M3 showing a preference to provide only summary level reports.

> **M3**: *The reason I expect them to run their own detail reports is because the system is live and they should be looking at the detail before they order any goods so spend on the account. Also I think it makes them more au fait with the system, because I can send they the management accounts reports but there is no guarantee they are looking at them.*

Another view is provided by M1, which highlights the individual nature of the decision-making concerning the provision of summary or detailed reports.

Here M1's professional judgement was to provide more detail so as to provide better customer service.

> **M1**: *In the past I would have provided detailed reports on a monthly basis: dedicated reporting followed by one-to-one liaison. Since joining finance this reporting has been focused more on the Director and communication with other managers has become more informal. In relation to the faculty, I had a limited handover, and the previous management accountant only provided summary reporting. I believe that more detail was required, so that I could understand it as well as provide a better service.*

During the research process, central finance management implemented a new system of forecast reporting, which needed to be updated each month and was to include comments by the management accountant after consultation with the Dean or Director (see Chapter five for the problems that this caused between M1 and the faculty Dean). Whilst the management accountant's relied on the Oracle system reports, tensions arose when the format of these reports changed, sometimes without the knowledge or input of the management accountants (Jaradat *et al*. 2011). An example of change in reporting and the perceived impact is presented below.

Tensions were created through the finance reporting system, with a further example being how reporting issues led management accountants to have greater involvement in more routine activities.

> *The researcher's dairy for this example notes how the issue seems to be one of communication, with one department blaming the other. Central finance couldn't prove that they had dealt with the problem. So it appears that they had been sitting on the form for five weeks, and only on the 27th February had they said that there were problems with the completion of the 'P' form, and only then because the school Director sent them an e-mail chasing it.*
>
> *As the School Director involved said: "How difficult is it to pick up the phone and say there is a problem?"*
>
> *The School Director was very frustrated when he contacted the management accountant asking for help in resolving the problem. On one hand he had the business development department blaming central finance for the hold-up, and central finance not sending out any information at all.*
>
> *This example illustrates the difficulties faced by management accountants being brought into sort tensions and problems in routine activities in a 'problem solving role'. In this case there was obviously a problem with the form, but the level of communication was virtually non-existent between the three parties. One of the management accountant's less recognised roles was to mediate between departments who found it difficult to get agreement on the correct course of action. Unfortunately, from a professional management accountant's viewpoint there was regret and embarrassment that the level of service provided to the customer, the School Director, was below the expected standard.*
>
> *Providing excellent customer service was, in this particular management accountant's view, 'one of the main reasons for the existence of a finance department'. This example and others like it further alienated the management accountants from their central finance colleagues*

Tensions and contradictions C: Division of labour

Tensions existed from the early stages of decentralisation and the perception was that they did not greatly improve over time. Figure 6.4 illustrates how the division of labour mediated the activities between the actors and central finance.

Figure 6.4 University Activity diagram, showing the Division of labour mediating activity between Subjects and Community. (Adapted from Lee & Sparks, 2014).
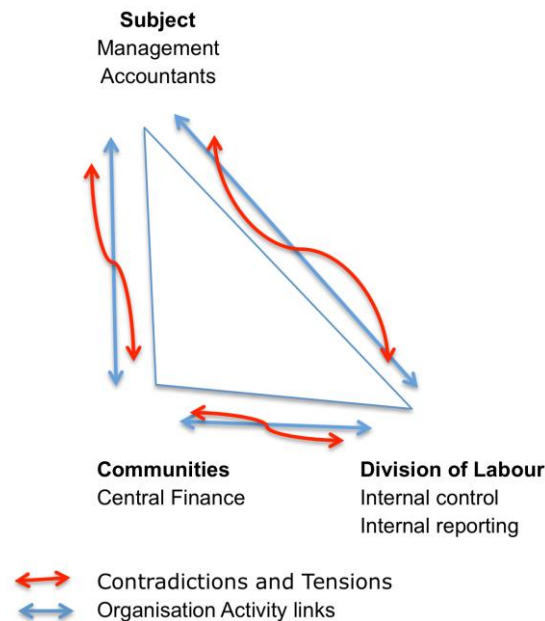
One initiative concerned the creation of informal meetings between the management accountants and central finance accountants that focused on matter-by-matter topics. However, due to limited success and ongoing issues, the meeting were formalised, although these were perceived as being even less successful, as one Management Accountant reported.

> **M1:** *I now have a regular monthly meeting (for the last 6 months), never used to. I'm not convinced that the meetings target the necessary subjects or issues. The relationship is still a very them and us culture.*

In relation to a particular department within Central Finance, another Management Accountant commented.

> **M3:** *I don't communicate with for example, expenditure because I leave that to the finance officers. When I need to I communicate with the systems team, but now it has to be through their on-line form, which is a recent development. In the good old days you used to just be able to ask Bob directly, who would only be too happy to help. Now it's…. will you fill a form out and we will get back to you sometime.*

This particular comment followed a change in how the systems team provided finance system assistance. Prior to the change, management accountants relied on longstanding relationships with the staff concerned, who invariably provided assistance on a personal level. The change was initiated by the university information Technology department and the associated form filling and delays irked the management accountants. The perception related to control being removed from the management accountants and replaced by what was perceived as an impersonal bureaucratic system. The comment by one of the Management Accountants sums up the position in which they found themselves after the decentralisation.

> **M3**:*In faculty meetings you are acting as a finance person, advising them to try and act within the finance rules and regulations and when you are in a finance meeting you are acting as a faculty rep and trying to argue the case for the faculty and trying to persuade finance to be more flexible with the faculty.*

Poor relationship received further commented by M2, who highlighted the lack of organisation or effective work system.

> **M2**: *I actually don't think the centre know what we do, and they don't know what we should be doing, but saying that we don't know what we should be doing either.*

The relationship between the management accountants and central finance colleagues was not perceived to be harmonious, with a strong feeling of a 'them and us' situation, with the 'them' being in control. This belief also extended to the relationship between the faculty finance officers (who reported into the management accountants) and their counterparts in central finance (Ajjawi *et al.* 2015). Each faculty had a small team of finance assistants that historically reported into their individual faculties, but who now reported to the respective faculty management accountant. M1 highlights the perceived fractious relationship.

M1; *The relationship is very operational, but there is a them and us culture. This makes central finance very defensive due to a sub-culture of blame.*

The experiences of faculty finance assistants feature here, as the management accountants were invariably required to resolve any tensions with their activities and central finance. The line managers held direct responsible for the service delivery of finance within the faculties. Here, tensions arose from perceptions of customer service activity and the notion that because faculty finance staff were closer to the faculty customer they were required to offer an immediate customer focused service. This misperception surrounding the division of labour caused tensions for all those involved, which led to degree of blame. This view was summarised by M1, who reported how disjointed the faculty finance staff and central finance staff were.

M1: *Biggest problem is the blame culture. It is very us and them. I hear from faculty finance officers recently that given all the proposed cuts etc., some people in the centre are telling the faculty staff that it will be them (faculty staff) that will be sacrificed.*

The reason behind the disparity is unclear, as the faculty finance and centrally located staff were all on the same pay level, so pay jealousy can be eliminated. Within the concept of pay and reward lies the notion of divisions of labour and the perceived equity of contribution. Further, in relation to the whole faculty finance provision, M3 made an interesting point regarding the grading of the finance officers.

M3: I *think the faculty finance officers understand the nature of the university, whereas I don't think central finance staff do. The previous Finance Director's decision to make all finance officers a grade 5 has had a detrimental effect of the progression of staff. I also don't think it accurately reflects the roles that faculty finance officers undertake.*

The management accountants all cited instances where they perceived that, on an on-going basis, the level of customer service provided by central finance fell short. At interview the management accountants all reported experiencing tensions with central finance staff on various day-to-day activities, often with reference to divisions of labour.

> **M1**: *The number of times you send forms through and it doesn't get processed, or is processed wrongly or incompletely. We have to chase and double check things far too much.*

> **M2**: *My issue is that quite often they don't come back to you, they don't understand, they are very blinkered in that they only see their own Finance perspective, they don't look outside the box.*

> **M3**: *There are people in the centre that delay too much, you send them some work and they don't get back to you, and by time they do, you've forgotten about it because you've been doing a hundred and one things since.*

Practical decisions equally caused tensions, with respect to divisions of labour, particularly the perception concerning responsibility for certain tasks and the perceived unreasonable expectations of central finance. Participants reported that people in central finance "*assumed lots of things*", but according to the management accountants their assumptions are baseless, in most cases. Thus, the perception is held that staff in central finance divided labour so as to benefit themselves, or to apportion blame, as it suits them (Teras, 2016).

> **M2***: The main problem is that because we are based in the faculty and not in the centre, there is an assumption from those in the centre that we are all seeing and all hearing. What that is based on I don't know. However, they seem to assume that we know everything that goes on, even for areas that I believe are directly related to what they are responsible for. It only seems to be where an issue arises that we suddenly become involved. We seem to get involved at the end. It's very much a culture thing, a blame culture. A lot of it is due to a lack of communication and also I don't think our roles are defined enough. Either for us, or the people in central finance.*

This participant also commented on the lack of communication in relation to the role and the associated responsibility (Bourke & McGee, 2012). In the absence of defined

guidelines, the perception is that it is easier for those in control to more easily determine divisions of labour. The resulting uncertainty can lead to misunderstanding and, in certain cases, can go beyond this to manifest itself in deliberate manipulation.

> **M1**: *Central finance choose to think that the management accountant is involved and knows everything about the faculty.*

Such examples suggest situations whereby the working relationships define the activity rather than having a clear understanding of what was intended to happen in practise, as is evident in dialectics (Magee 2001). The management accountants reported the level of work they were expected to achieve under the decentralised activity system. The actors expressed dissatisfaction with the lack of support provided by central finance.

> **M2**: *Lately in the management accountant meetings we are being asked what the latest is on income generating projects (G&J) codes, but honestly I haven't got a clue! The people in charge of G&J's don't stand up and say well actually that's for me to tell you! When we've asked for access to the detailed G&J accounts we are told ok, but then we never get the access. However, whenever there is a problem, we are first ones that get asked about it! I think we should be involved in G&J project activities….time permitting. Actually, we wouldn't have the time so maybe things need to be changed. We might have time if some of the people in the research and enterprise team reported into us. Then we'd have an overview of it wouldn't we!*

Management accountants and central finance staff expressed the view that the lack of guidance and failure to sufficiently define the management accountant role resided with the central finance senior management team (Westberry & Franken, 2015). In undertaking the decision to decentralise, no further plan was apparent to see it through or develop it, for example in light of faculty resistance. This lack of support and clarity regarding divisions of labour introduced frustration amongst the management

accountants, with the uncertainty impacting on their motivational drive. However, actors based in faculty finance provided an alternative viewpoint of decentralisation, of a more positive nature. This is not unexpected, given the different priorities of the people concerned, with the thinking being more in line with institutional thinking (C2).

C2: *All of the faculties will have to become more institutionally focused.*

This statement followed a change in Vice Chancellor, along with a new Finance Director, which heralded the beginnings of a cultural change. Deans of faculties were encouraged to operate for the institutional benefit, rather than a perceived self-interest, which indicted a change in the divisions of labour, towards a more central ethos. This institutional approach became evident in the communications from central finance, which have been criticised previously by the management accountants for their unclear or ambiguous content. Within the new ethos, C1 asserted that communications should be made on the basis of instructions from senior finance management, which would assist in clarifying the management accountants' role and the associated divisions of labour.

C1: *Communications sent by us are on the basis of what we've been asked to do by the Finance Director, or senior finance management. So we do what we're told. If the faculties or management accountants don't know about it or don't understand then it's their manager's fault. The Deans would have agreed to the changes.*

With regard to understanding by the management accountants:

C1: *The problem for you is that your manager doesn't communicate with you, and he doesn't push the management accountant's perspective. We're clear enough here about what needs to be done, but you all seem to think differently.*

C2 reported that in the past some department managers acted in their own interests, whether that be, by changing what they reported, or occasionally enforcing rules and regulations.

> **C2**: *They do appear to do as they want sometimes, if they're not issuing the reports then what are they all doing? Although saying that, if you ask x for help she is very good, others in that team don't want to know. That even to us sitting opposite them!*

The view was also held by the centre that faculties and, to some extent service team staff, were reluctant to follow the finance rules and regulations and on these occasions central finance staff had to be insist on compliance.

> **C2**: *They have to follow the rules whether they like it or not, most of the time they complain it's because they think they are losing out personally. They're not interested in the whole university just themselves.*

Actors from central finance took a stronger approach in dealing with faculties and service teams, which led to some faculty staff perceiving that the management accountants to be more customer friendly than their central finance counterparts. With respect to divisions of labour, it may be the case that faculties placed increased pressure on what they perceived as 'friendly' accountants. The management accountants perceived customer service as a priority and attempted to integrate themselves into the faculty management teams, however, central finance's view remained:

> **C2**: *We don't have to make as much effort as you do. We implement the rules and regulations and the faculties have to follow them. I think we do provide good customer service, but only as long as the rules permit. Sometimes the academics don't like following the rules and prefer a short cut.*

The different approaches to providing a finance service are further discussed further in the next section in relation to professional identity.

6.4 Professional identity

The decentralisation impacted negatively on the management accountants and their relationship with central finance, which introduced levels of tension and contradiction (Figure 6.3). Attention now turns to the effect such tensions and contradictions had on the management accountant's professional identity, although this will be dealt with in greater depth in chapter 8.

The potential exists for competition between different professional groups, and the shared experiences in the previous sections have highlighted perceived tensions between the management accountants, financial accountants and central finance staff. Much of the discussion portrays a common theme, wherein the management accountants shared a perception of disadvantage, due primarily to poor treatment by other professionals (Nardi, 1996). Failure of communication and an exclusion from the decision-making process compounded their perception. The management accountants equally perceived that their treatment by central finance staff impacted negatively on their status across the university. Incidences of altered reports, or removal of access rights to reports, without notification or agreement, impacted on the management accountant's perception of their role, their position within the university and their personal and social identity. Maintaining motivation in such circumstances was challenging, although all actors taking part in the study expressed their determination to self-motivate, so as to maintain a constant professional service to their customers (Feijter *et al.* 2011). The management accountant's perceptions of fairness and equity during the time period of this research were reported to be negative. They reported how their status was undermined, both individually and as a group, with the situation being further compounded by their concerns being predominantly ignored. Further negative perceptions of identity revolved around their line manager not always acting in their best interests, nor making

any attempt to either protect them or support them. Without the backing and support of their line manager, their perception was that they were not heard, either individually or as a shared voice. Despite all being qualified accountants, with various work experiences outside of the university, difficulty existed in maintaining status and personal identity within their work setting.

M1 alluded to the:

> **M1**: D*isgraceful treatment of the management accountants, showing how (C1) looks down at the management accountants treating them as second class.*

The perception of being seen as 'second–class' was commented on by M3, who illustrated this with occasions when central finance countermanded decision making or reporting.

> **M3**: W*e are undermined regularly.*

Some possible explanations for the behaviour of the central finance accountants are discussed in the following section.

6.5 Power relations

The issue of power relations exists in an organisation when one group competes with others, in order to maximise their interests within the organisational environment (Trowler & Knight, 2000). The expectation would be to see strategies for power acquisition across the various functions of an organisation. However, this research has unearthed power relations being displayed within a single function, as the finance function teams empowered themselves through controlling the finance system and decision making processes (Greig *et al*. 2012). Management accountants perceived that

this centralised power base was established to the detriment of the decentralised

management accountants (Thompson, 2004). The initial aim of decentralisation was to

devolve the finance function and create a new customer-focused role for the

management accountants, thereby improving the quality of service. In many respects

though, the initiative was limited by poor power relations with central finance. Issues of

power relations also emerged with operational management, which is the focus of

chapter seven. With regard to the perceived 'them and us' identities, a possibility

existed for inter-professional competition between management and central finance

accountants, particularly in relation to the control of finance systems and procedures

(Frambach *et al.* 2014). This research highlighted tensions in power relations, with the

removal of management accountant's access to the finance system, being of particular

concern. This lack of access removed the management accountants' ability and power,

to question decisions made by central finance. The loss of power is epitomised through

the attempts the management accountants made to influence the reporting being either

rejected or ignored. The issue of control over the systems team was highlighted by M3.

> **M3**; *Prior to decentralisation, when we were all based in the centre, the systems team used to share an office with the management accountants. We had a very good relationship with them and effectively we were all one team. I don't think the rest of finance liked that. I think they were jealous of the closeness of systems and management accounting. Then all of a sudden, systems were separated and especially after decentralisation, they became more and more distant from us. We're at a point now where you have to fill an on line form out to get any help from them.*

An example of control is highlighted in the following Diary extract, which also

addresses the limited activity of the management accounting line manager.

> **Vignette: Research Diary observation**: (Feb 2013)
>
> *8th Feb 'Major surprise this week as (C1) has decided that the 'capital over £5k' balances are to be included in the profit and loss (P&L) reports. I hit the roof about it because the only way I found out is when I noticed the capital expenditure when running the reports. I wasn't asked whether this was the correct thing to do – another example of being put in charge of something but then people deciding they know better.*
>
> *It also means that the system put in place (with considerable effort on my part) has been changed without telling me.*
>
> *22nd Feb: (C1) says that the line manager should have discussed it with me, however, when challenged, the line manager says that (C1) shouldn't have made the change! I've asked for a meeting between the three of us to sort it out'. No reply from my line manager as yet. I talked again to (C1), and it is clear that for all the reasons (C1) has for changing the report, they have no real basis for doing so. Why does (C1) always think they know best'?*

The level of influence held by the management accountants was perceived as limited, as

M1 reported:

> **M1**: *We are responsible for everything but not in charge of anything! I think we need to be in charge more. Why can't we put our own journals on? Why can't we make decisions on project codes? Because I think it would be much easier.*

Power relations were apparent in many encounters, as indicated in the following extract

from the researcher's diary:

> **Vignette: Research Diary: Lack of consultation (Sept 2011)**
>
> *I remember when the centre stopped issuing monthly contract summary reports and didn't bother to tell the management accountants? When I noticed the omission, I started to produce the reports myself for my faculty. I did ask the centre about it but they said that they thought the management accountants were responsible for issuing the project reports not their team. No one ever said to me that I should be issuing the reports. There were no questions asked by senior management as to how a team could just stop producing reports and expect the management accountants to pick it up.*

M1 held the view that because central finance held the power, the role of the management accountant was correspondingly diminished.

> **M1:** *I feel held back by the fact that often I have to wait for a decision to be made in the centre, and I can't make that decision myself. I have to ask the centre and then sometimes wait ages for an answer.*

This research has highlighted that management accountants felt excluded from the financial decision making process and had little representation, at the senior management level, through their line manager. This lack of process power (Swan *et al.* 2002) conveys that views, experience and professionalism, are either not considered legitimate or are not valued by senior managers. A further compounding factor relates to before decentralisation, when the management accounting department was located within the central finance, which led others to perceive it holding greater power and also status. This historical viewpoint is an important factor in understanding the perceptions held by faculty and service team actors, and will be discussed in the next chapter.

6.6 Summary of the relationship with central finance departments

The second research question (chapter one) concerned the extent to which the restructure impacted on the management accountant's identity. This chapter has explored the interpretive discourse of the management accountants, along with that of their co-workers in central finance, as they functioned within the new decentralised activity system. In discussing how the decentralised structure affected the management accounting team and their perceptions of professional identity within the university, key themes were identified. In addition, activity theory diagrams were used to illustrate the tensions and contradictions that existed within the shared activities of the management accounting team and central finance departments. To further highlight elements of the

discourse of the management accountants, membership of the management accounting team and positionality within the university were discussed. Personal stories have been used to provide in-depth understanding and meaning to shared experiences.

This research highlighted individual experiences, showing tensions within the decentralised structure. The perception arose that management accountants were not listened to and their professional experience was ignored by central finance, which emerged as a key cause of tension. Also within the activity system the professional identity of the management accountants was negatively impacted. Management accountants reported their frustration with the decentralised system, whereas actors from central finance broadly failed to evidence the same level of frustration. The centralisation of power caused a perception amongst management accountants of feeling excluded from the activity and decision making process. A level of dissatisfaction was reported over an apparent lack of influence management accountants held over the division of labour, with particular reference decision-making. The de-motivational consequence of not being communicated with effectively, along with a concern for the lack of line manager leadership and support, was detrimental to the management accountants' well-being. Chapter seven will address in greater detail the relationships between the management accountants and the faculties, and service teams.

CHAPTER SEVEN

THE ACTORS' VOICE, WITHIN ACTIVITY THEORY:

THE RELATIONSHIP WITH FACULTY AND SERVICE TEAM MANAGEMENT

7.1 Introduction

The Higher Education Funding Council for England (HEFCE) requires universities to follow strict reporting guidelines and adherence to its rules and regulations. All accountants working in the higher education sector are fully aware of the importance of and the professional regulations and strive to operate within the prescribed framework. The perceived issue in university activity systems is that faculty and service function management teams are sometimes not as rigorous in their application of and adherence to financial matters. This research illuminated a variety of shared stories and anecdotes, which revealed a long history of non-finance staff either ignoring or bypassing the financial regulations, which resulted in tensions between the finance function and operational areas. One aim of the decentralised structure was to alleviate such tensions by embedding a finance professional in the faculty's senior management structure, so as to offer direct and timely guidance to operational management.

7.2 Key themes

The interpretive discourse of the management accountants that is associated with power relations, including how existing relations within the university activity systems impacted upon their changing role and professional identity, form the central focus of this chapter. This chapter, therefore, presents those findings that relate to the third research question:

3. In what ways did the restructure of the management accounting function affect the perceptions of power within their community?

In keeping with the previous chapters on findings, greater detail is now presented in relation to the interrelated themes of power relations, professional identity and role change.

7.3 Change

The decentralised management accounting function drastically changed the relationships between management accountants, operational teams and central finance. Prior to decentralisation, two members from the management accountant department divided the university into two, with each visiting their allocated faculties, schools and service teams on a monthly basis. Ongoing communication occurred during the month, but face-to-face contact was codified in a formal month-end meeting, where monthly reports would be discussed. Decentralisation saw the introduction of five embedded management accountants, although they remained under the line management of central finance. On the one hand, this chain of command provided independence from direct operational management control (Hopper 1980) yet, conversely there were implications for the management accountants' relationships with senior management. The management accountant actors all expressed concerns as to their perceived level of acceptance and the degree to which they would gain a sense of inclusion within their faculties.

In response to the enquiry about the degree of say faculties had in the decentralisation decision, F2 reported that there was none, neither for the process, or the management accountant to be allocated.

> **F2**: *No, they just arrived. I think that is part of the problem because there were never any clear guidelines as to what the relationship should be.*

D1 made a similar comment regarding the lack of guidelines as to what the management accountants' role should be, and, as outlined above, the deployment was compounded by the absence of any guidelines.

> **D1**: *It would be very helpful to have a service level agreement as to what we are supposed to be getting. Otherwise it is a bit hit and miss.*

Likewise a service team director reported that they had introduced service level agreements for their own staff who had been decentralised out into the faculties, and could not understand why the management accountants did not have a similar arrangement.

> **S10**: *I'm surprised there is no service level agreement. There's no contract or set of expectations. I think there should be. In fact, I've introduced some into the schools from our department. We've got plans that we agreed on.*

A further point was made by F1 in relation to the different roles that the management accountants fulfilled within each faculty and how they were restrained in pursuing that activity.

> **F1**: *As there were no documented roles, it has depended more on personal relationships really. Look at Z faculty where the management accountant had a particularly close relationship with the Dean. That same management accountant tried to build the same relationship here in our faculty, but the Dean clipped them down suggesting that it was not their responsibility.*

A further view was expressed by F3, who highlighted that each faculty was different, even to the extent that F3's own role differed from faculty to faculty.

> **F3**: *Every faculty is different. When I look at the faculty manager role I know that every single one of us has a different job. Completely different, the activity is unique. You could say that each faculty is a food chain, say one is McDonalds, one Kentucky fried chicken, etc. It's all food but you are all doing different things, there are different costs, different activity.*

Similar perceptions were shared from a different faculty (D2), who reported on the difference between the faculties.

> **D2**: *Every faculty does it differently, and it depends on the personalities in the faculties and the levels of engagement they have with financial issues. Our relationship with the management accountants has varied with the different management accountants.*

In relation to management accountants being allocated to multiple areas of activity, F2 shared a customer perspective and commented on the time the management accountant spent in their faculty.

> **F2**: *I think presence in the faculty is paramount. The management accountant needs to be close to the activity. Ours is only here two days a week. All their time is taken up in the service team area. We perhaps have suffered because of this time allocation.*

Faculty management was not beyond influencing activity to further their needs. Indeed, it has already been discussed that, to varying degrees, faculty management teams excluded the management accountants or took steps to reduce their influence within the faculty. The problem for the management accountants was the absence of a codified service level agreement that defined roles and responsibilities on both side (Daniels & Warmington, 2007). Hence, the role of the management accountant varied between faculties.

> **D1**: *I am doing a lot of direct communication with the Finance Director because the management accountant is doing two things. One being pulled in too many directions, so they spend a lot of time with their other area and two struggling with a complex area they doesn't really understand. So we don't tend to do things by the book, we've sort of found our own way of making things work.*

This last comment has been further discussed above in that a complaint was eventually made by the Dean that the management accountant was "never there". Nonetheless,

what emerged is that during a period of major changes (Engestrom & Sannino, 2010) there was an absence of any formal consultation at the onset, which was further compounded by an absence of a codified service agreement that defined roles and responsibilities.

The new decentralised structure is reproduced in Figure 7.1.

Figure 7.1 University Activity system, showing activity between subject and community. (Adapted from Engestrom, 2001).
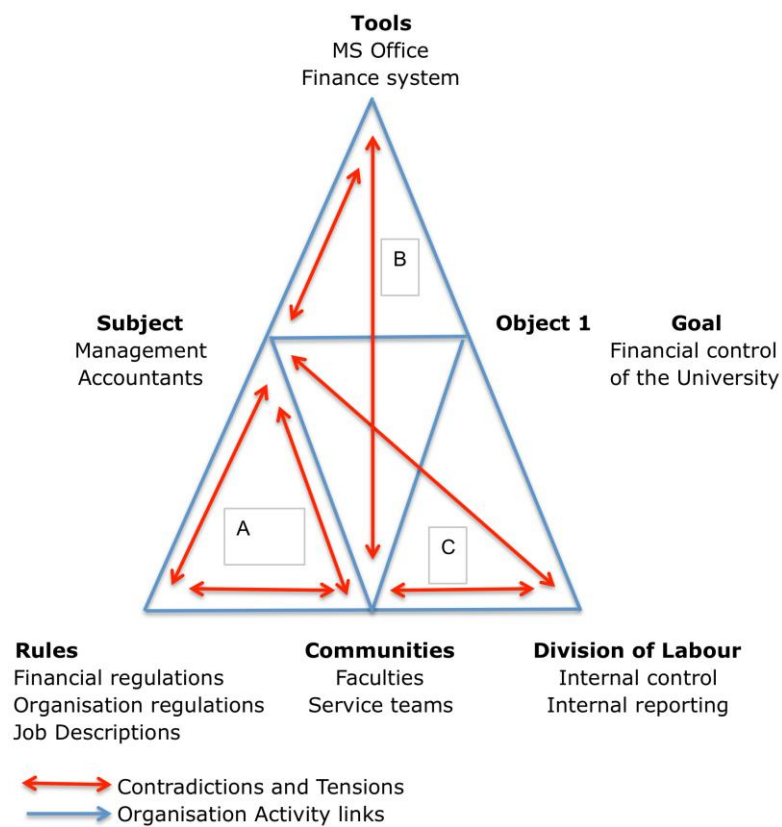
Figure 7.1 shows the lines of activity in blue, with the identified tensions and contradictions being in red. Note tensions and contradictions in figure 7.1 have been labelled:

A.   Highlights an area of tension between faculties, service teams and the management accountants concerning financial and organisational rules.

B.   Highlights an area of tension between faculties, service teams and the management accountants concerning finance system reporting.

C.   Highlights an area of tension between faculties, service teams and the management accountants concerning the division of labour, and responsibility for specific tasks.

The identified tensions are explored in greater detail in the following sections:

Tensions and contradiction A: Rules

The implementation of and adherence to rules created a constant tension within the activity system (Yamagata-Lynch, 2007). To a certain degree and at all levels, faculty and service team staff sought to, shortcut, circumvent, or possibly ignore the financial rules and regulations. The route may be found in expediency, although an element of mistrust existed with respect to faculty and service team relations with central finance; as reported by one Dean.

> **D1**: *Perhaps there is a certain level of paranoia about central finance. The changes have come about because there has been a lack of transparency by budget holders.*

The focus on customer service from a management accountants' perspective (M2) suggests a flexible approach, although it is not clear the extent to which rule bending is condoned.

> **M2:** *Although I work for finance and abide by their financial regulations, we are viewed as people who try to help them (faculty and service team customers). Rather than people who try to control them and dictate to them as central finance try to do. Management accountants don't dictate, we assist them.*

The general reporting indicated that any attempts to deviate were not blatantly underhand or dishonest manoeuvres aimed at cheating the university. Often, the rationale behind such rule-breaking activity simply comprised an attempt to speed-up the process or to circumvent what were perceived as nonsensical rules. On other occasions the problem revolved around the rules being changed, with faculty managers either failing to grasp the new requirements, or chosen not to, or the rule changes had not been communicated clearly enough by central finance. F2 reported that.

> **F2**: *I think the rules and regulations, which are determined by the centre aren't particularly communicated very well to the faculties.*

Another reported reason refers to central finance staff not fully enforcing the rules in the recent past, which led faculty managers to be uncertain about which procedures to follow. Faculty adherence to rules and regulations was something that F3 related directly to the presence of faculty finance officers.

> **F3**: *Having the finance officers based in the faculty is really important. Because the reality is that sometimes people just want to ask questions. A lot of people shy away from the rules and regulations with finance, they get a little frightened. In some way they are almost reliant on the finance officers to advise them and keep them in check. Nothing can ever replace the face-to-face contact, and having the petty cash facility is handy.*

In addition, F3 commented on the proposed introduction of a self-service expenses system (linked to Oracle finance system).

> **F3:** *Although the new system will enable staff to do their own expenses etc., you will get some staff who will deliberately misuse it, whilst others will genuinely have no idea how to do it themselves. I think the finance officer role pays for itself. They can guide the staff and the message gets around.*

Management accountants held responsibility for ensuring that their faculties and service teams adhered to the current rules and regulations. However, this role can be compromised by faculty and service team managers, dealing directly with central finance staff, or on other occasions seeking a second opinion.

> **M2:** *I think we are often undermined in the way we are told one thing, so we go along with it. If for example I am asked something and I say no, but the person then goes to someone in central finance, and then someone there says yes. This happens more to the finance officers maybe rather than myself, but it's ridiculous.*

Service team Director S11 shared how they perceived understanding of the different between the management accountants' role and that of central finance.

> **S11:** *Finance is there in a custodial role. The management accountants have an advisory role, and they are the people we ask. You are experts! My personal impression is that they are there to help me spend my budget. I do not get the impression that they are there to stop me spending it.*

S11 also reported on the tensions surrounding the position of the management accountants within the university activity structure. When questioned about the tensions and conflict between their department, central finance and the management accountants they explained.

> **S11**: *The new rules concerning the pay establishment is a good example of tension. Because the management accountant acts as the messenger, they are involved in some tense situations I bet! We must remember not to shoot the messenger!*

Tensions and contradiction B: Tools (Reporting)

All the management accounting actors stated that they maintained formal monthly meetings with their faculty Dean or directors, or their service team directors. Since devolving the finance facility all management accountant actors reported an increase in informal day-to-day contact, which is articulated by M1 and M2.

>**M1**: *Communication is predominantly verbal, and lots of e-mail.*

>**M2:** *Because we are based here (faculty) it is easy to see people on an ad hoc basis. I can see the Dean every day for five days or I do not see them for three weeks.*

From a customer point of view not all face-to-face meetings were perceived as successful. Indeed, (S5) reported that as a service team Director the service levels were not at the required standard.

>**S5:** *Meetings don't always happen. We get knocked back quite a lot. The last two haven't happened. In fact, I would say that this is one of the most unsatisfactory parts of the management accounting service. For me that meeting is important.*

Variation in service levels was also reported from another sector of the university by (S6).

>**S6:** *Information has been sporadic and meetings with the management accountant have been cancelled over the last year.*

The management accountant actors all mentioned that they produce monthly reports and although the timing of the reports is constant, the format varies, with the variation being dependent on management accountant preferences and customer requirements. This is highlighted by M3.

> **M3**: *I ended up creating manual reports because the system couldn't do it efficiently.*

Whereas, M1 suggested that a new finance system had been the initial cause of

problems.

> **M1**: *Month end is starting to work well now that we have a three-day turnaround. The problem with Oracle has been that if from the start it had of produced the information and reports that Coda (old finance system) had done, then there wouldn't have been an issue. But for certainly for the first 12 months that wasn't the case. We still don't have any detailed pay reports that show variances to budget.*

And that they produced the same reports.

> **M1**: *I produce the same as everyone else (other Management Accountants), management accounts reports, Risk schedule, opportunities and threats and a Pay report.*

A recipient of the monthly reports (S5) commented on the differences between reporting styles of the two management accountants he had dealt with since decentralisation.

> **S5**: *The reports were different, probably a style thing or a professionalism thing or a preferred way of doing it. I would say that one management accountant was very formal and methodical and very precise and the other one less so, Less systematic.*

Reporting forms an important part of the management accountant's role and the issue of

central finance staff dictating and altering the format of the system reports was

discussed in previous sections. The impact of changing report formats on management

accounting reporting cannot be underestimated, especially taking into consideration

their individual preferences (Redmiles, 2002). If the practise allows for individual

management accountants to employ varied reporting formats, then any change in format, or presentation, is likely to have consequences for a number of users.

> **M1**: *If they change the format of the reports without informing us, they don't realise the implications. They have no understanding of how we use the system data or in fact what we ultimately produce for the faculties and Service Teams.*

The introduction of the new Oracle finance system impacted on all financial processes and activity (Lee & Sparks, 2014). Whilst some operational non-finance staff had a clear understanding of the previous system, the following example highlights the negative effect the system change had one faculty.

> **M2:** *In the faculty the expectations have changed since we moved over to Oracle. Because pre-Oracle I would say that the Dean here felt more in control of their budgets.*

The user's lack of confidence in accessing the Oracle system equally impacted on the management accountants.

> **M2***: Generally, since we implemented Oracle, although the Deans, directors, managers still get their reports, I don't feel they understand what is happening any more. So now I think the expectation is greater on us. I am increasingly getting asked in the faculty: can I spend this amount of money and what budget can I spend it from. Now ultimately, I am not a budget holder. But they are coming to me to verify their decisions. I think this is detrimental to them, because If I'm not here I think sometimes they do not order things. They'll wait until I get back, and I think that is bad. So I think their expectation is that I hold the purse strings and I can tell them what they can and can't spend.*

The experience M2 underwent illustrates how a new finance system, alongside the decentralisation of the management accountants, changed perceptions of responsibilities in one specific faculty. Managers and budget holders changed their behaviour and sought the management accountant's permission before spending what was ultimately their own budget (Sam, 2012). This activity was not typical across the other faculties,

which again, highlights the variation in reporting. Indeed, there was little uncertainty as to who was the budget holder, although the reporting line for ad-hoc spending and budget reports showed greater flexibility.

The differing experiences of the management accountants illuminates how reporting varied across the faculties and their perception of the embedded management accountant (Barnard, 2010). It became apparent that this perception determined the extent they the management accountant was included (or excluded) in faculty activities. In the case of M2, a closer relationship existed with the Dean than was experienced in other faculties. The behaviour and acceptance by a Dean, was instrumental in deciding the extent to which management accountants could extend their influence within the faculty management structure. Where, at the behest of the Dean, the management accountant gained full integration, then this acceptance filtered down through the faculty. The level of acceptance in the case of M2, resulted in managers and budget holders perceiving M2 as a professional colleague and advice or approval was sought prior to spending. The case of M2 illustrates the epitome of the stated philosophy that sat behind the original plan to decentralise and embed the management accountants in faculties, close to their 'customer'. Whilst M2's experience differed from other management accountants, it affected the person's views on self-service reporting (Tan & Melles, 2010). Self-service reporting was a critical factor in the new Oracle finance system, whereby non-finance operations managers were enabled to access current information and run reports. Some management accountants expressed concern that self-service reporting held potential dangers. System dangers were perceived in association with the large amounts of information it could produce, but, more importantly, the user needed to ensure the correct question was asked. Here, finance knowledge was required to determine the correct line of enquiry, otherwise an answer to

an inappropriate question is unlikely to produce a correct solution. M3 discusses the uncertainty that self-reporting had in some cases.

> **M3**: *I recall times when people have rang up asking how to find out how much they have spent on an account, because they are not sure of the information they are looking at on the screen.*

This point is similarly highlighted by the observation of a Faculty Manager.

> **F1**: *My problem with Oracle is, effectively I'm an occasional user, so I'm almost starting from scratch every time I go into it, because you don't remember how to navigate around the screens.*

F2 added to this view by commenting on the complexity of the self-service finance reporting screens.

> **F2**: *Unfortunately, everything is in multiple pages so unless you are familiar with it, it's like learning the layout of a building I suppose. Once you know the layout of the building you know exactly how to get to a particular room you want to get to. But if you only visit that building occasionally, you probably won't remember.*

Furthermore, a Service team Director suggested that a high level of expertise was required to access the Oracle system reports.

> **S7**: *I do have access, but due to a lack of expertise, we rely on the management accountant.*

And according to a Dean, the difficulty experienced in trying to access the self-service reports had major implications for their perception of financial control.

> **D1**: *The thing that changed it for us was the change in the finance system. It's not useable. It's extremely difficult to use. I couldn't do it. So we feel less in control of the day-to-day processes because of Oracle.*

The researcher noted in his diary the number of times that customers would phone him to request that he checked figures, because they were uncertain whether the self-report was showing the correct figures.

> **Vignette: Research Diary: The danger of self-service finance systems**
>
> *It was fortunate that people used a sense of caution and rang me up just to make sure. Usually the problem users had, was due to having used a wrong source identifier code. Unless you are running reports on a regular basis, the finance system is very difficult to use on an infrequent basis. Also the fact that there are so many income source identifier codes means that the users cannot always rely on running a 'total' report.*

Other reason for faculty finance staff to prepare the reports was provided by M1 and F2 who, although coming from different parts of the activity process, agreed on who should produce the reports.

> **M1**: *In my Faculty the finance officers provide the detailed reports, school directors are busy enough and have expressed the view that they do not have time to run finance reports. In fact one School Director said that 'that's what finance is for'.*

A viewpoint shared by a Faculty Manager F2.

> **F2**: *In terms of cost effectiveness it is easier for me to walk down the corridor to you and say what's the balance on this account, and where are we up to or whatever. Or if you're not there one of the finance officers can help me.*

The issues created by the introduction of the new finance system impacted on management accounting reporting activity over a long period of time. Manual intervention was needed to maintain high standards of reporting, which was extremely time consuming, with a greater impact being felt during the short timescale associated with month-end reports.

The tensions surrounding reports and reporting is apparent. The two parties involved did, at times, hold similar views, with the responsibilities for self-reporting being one area. However, on a human level the perceptions may have run deeper, for example faculty management may have perceived the management accountants' stance as being one of protectionism, whilst they themselves adopted the perception that reports fell within their professional role. Unfortunately, as has been highlighted earlier, the lack of a clear role description exacerbated the feeling of ambiguity and miss-perceptions.

Tensions and contradiction C: Division of labour

The management accountants were initially embedded in the faculties with the intention of them becoming full members of the senior faculty management structure and taking responsibility for the faculty finances (Engestrom, 2000). However, this laudable aim was never fully realised, with M1 reporting the limitations of the role.

> **M1:** *Sometimes there is a feeling that Deans and directors may well as go straight to central finance and cut out the middle man (us) because we can't make a decision and then have to wait for ages for confirmation. It makes us look insignificant and useless.*

A high degree of negativity existed amongst the management accountants with regard to how limited the faculty accountant role turned out to be in practice. As different experiences were reported some obtained greater satisfaction with their role, although for all the levels of perceived individual satisfaction fluctuated over time. In one instance a management accountant, who was maintaining excellent relationship with the Dean and their senior management team, experienced a reversal in relationships after the faculty merged and a new Dean appointed. With respect to division of labour, an initial concern of the management accountants was the establishment of their day-by-day role and how their place within the faculty management structure.

> **M2:** *The faculties haven't been told what the management accountant is supposed to be doing and neither have we. I've never been told what I should be doing. But again it goes back to communication and bad management.*

Without a formally recognised role within the faculties, the management accountants reported that they endeavoured to make the most of the situation. However, their level of activity, participation, and influence, was governed by faculty senior management. Prior to decentralisation, the notion of faculty resistance, with respect to the division in labour, remained unexplored. In addition, there were no informal signs of the potential for any reluctance to accept their role, thus, the management accountants had no planned coping strategy to counter any possible resistance. The lack of clarity was further compounded by senior finance management not providing guidance on how to address the situation, and adopted a 'suck it and see' approach.

The following dairy extract follows on from the example provided in section 5.5 above concerning the early days of the finance business partner role.

Vignette: Research Diary: Meeting customer demands

The lack of communication from my senior finance managers caused no end of tension for me. For instance I recall memorable phone calls from (D1) asking where I was and what I was doing. Demanding that I should be sitting in (D1)'s department working for them.

The phone calls I received from this Director were unpleasant, critical of my actions and put considerable, and unnecessary, pressure on me. At the time I recall asking myself: Is this the way a professionally qualified accountant should be treated by senior management?

I did ask my senior managers for help and to intervene on my behalf. At which point there was an admittance that they might have implied to (D1) that a management accountant would be based with them for two days a week. So instantly I gained some understanding of (D1)'s position, although not their unprofessional attitude towards me personally.

I was puzzled as to why I was ever put in that position. In my view it indicated not only a lack of communication, but also a lack of planning on my line manager's part.

Again, in relation to division of labour, mixed responses were reported regarding attendance at faculty senior management team meetings. Some attended from the onset, whilst following initial attendance others were later disinvited from the group meetings, yet others did not attend at all.

> **M3:** *My latest Dean has advised his directors to remove me from their school senior management structure. This is after being removed (disinvited) from the faculty financial management team meetings.*

> **M3:** *The current Dean has a very closed view of who should be on that management team, and this is to the detriment of the university. I don't think you should operate with only an academic point of view.*

M3 was affronted when, after the initial few years working closely with a particular faculty management team, a change of Dean resulted in exclusion. The researcher had previously worked with the incoming Dean and the treatment of M3 did not come as a surprise.

Vignette: Research Diary: Isolation

The experience of the management accountant above was an interesting development, because exactly the same thing had happened to me when I worked with this particular Dean in another faculty. I had dealt with that particular Dean since the beginning of decentralisation and experienced being excluded and isolated from the faculty senior management Team. So I'm not surprised to find another management accountant being treated in the same way.

At the time, my initial reaction was to take the decision personally and see it as my failure to engage with the Dean and Faculty. I was convinced that this was the view of the senior management in finance too. Although, there was never any formal expression from line managers that I was perceived to be failing in my job. It is interesting to note that M3 made no mention of feelings of personal failure at being excluded from the faculty senior management team, only frustration at their powerlessness and change to how they previously operated.

The researcher experienced a similar situation in another faculty that he worked with at a later date.

There was a distinct lack of support from the central finance senior management when faced with management accountant's requests for help.

The management accountants expressed a long-term view that their Line Manager did nothing to protect them, promote their interests or, as mentioned above, offer any solutions as to how the management accounting activity could improve. There was no acknowledgement from senior finance managers that there were problems with relationships, and most importantly that individual management accountants were not to blame for the situation they sometimes found themselves in.

Relationships between the management accountants and senior faculty and service team colleagues were mixed, with certain Deans and senior managers not being receptive to challenges, which blurred the line of responsibility in financial matters (Engestrom *et al.* 1995). Disagreements were reported as to how the management accountants allocated their time between areas. Indeed, the management accountants reported that many complaints concerned access rather than activity. Senior management reported that the management accountant was 'never here' or spend insufficient time in one location, although this ignores the multiple areas and roles assigned to the management accountants. The reported perceptions of management accountants related to the unjust nature of such criticisms, and argued that split location working presented challenges in fully integrating into a faculty. Indeed, the requirement to spend two days a week to fulfil their service team obligation compounded their labour status. The situation was felt particularly by M1.

> **M1:** *There has been a recent change in Pro-vice Chancellor in my service team area, so the relationship with the new head is more distant, I had worked with the previous incumbent for ten years. The new relationship will take time. The relationship with the Dean is very formal. I feel that I have been imposed on the faculty without any buy in from the faculty.*

M1 had previously discussed how, pre decentralisation, 100 percent of time was spent in a service team, and subsequent expectation to reduce this to two days, so three days could be dedicated to a faculty. With respect to the division of labour, the perception was of a complete lack of line manager understanding of the complexities, level of activity and time needed to complete tasks.

Vignette: Research Diary: Time allocation

A faculty was added to (M1)'s duties because all the other management accountants had been allocated one, ignoring the fact that (M1) might not have the time to devote to the additional faculty work. Hence it is of no surprise that later there is a complaint from a faculty Dean that (M1) didn't spend enough time with them and inevitably expressing their dissatisfaction with the management accountant's level of service.

Whilst one Dean did realise the time demands placed on management accountants, it did not prevent them from complaining about the management accountant's actions.

> **D1**: *Because of the pulls on the two management accountants we've had they've not given as much as we need.*

> **D1**: *The management accountant doesn't spend enough time here. But I realise that their other area is a big job. I have discussed the issue with the Finance Director, so they are aware.*

There were issues with the relationships for the other management accountants too and M3 makes reported an area concerning the director of operations role.

> **M3**: *I have a good relationship with the Pro-vice chancellor and service team directors. My relationship with the current Dean is professional. We meet monthly and have e-mail exchanges. This Dean likes to step away from the finances and for the Director of Operations to deal with the finances. In my opinion this particular Operations Director likes to have the appearance of using the management accountant but actually doesn't want to include them at all in the decision-making.*

M3's comments on the good relations with school directors highlight the importance of dedicating time and effort to building relationships across the faculty. Positive relationships can influence the divisions of labour in that a greater element of trust is generated, with the possibility of the management accountant's role being accepted. However, the management accountants generally perceived that faculties had circumvented the finance department's plan to allocate financial responsibility to an embedded qualified accountant (Engestrom, 2001). Yet, whilst none of the faculty managers held financial qualifications, their higher grade accorded them greater control over matters.

Further complications arose in division of labour, following the appointments of faculty managers and later directors of operations. Once installed, it was to these role holders that the Deans looked for their finance lead. With the omission of a formal role description, the management accountants reported that they had little choice other than to work with the new appointees and accept a reduction in both their role and independence..

The lack of influence within the faculty, along with the poor support from their central finance managers, led some management accountants to report a perception of being trapped in between central finance and the faculty.

Returning to aspect of reporting, elements of control and division of labour were reported:

> **Vignette: Research Diary: Undue influence**
>
> *One of the problems I had encountered from the beginning with this particular service team department was that they wanted me to produce financial information specific to their area. That alone is not a problem, however, my experience as an accountant was that I had always produced reconciled information and reports from the finance system. If the figures came from the finance system then they were official and reliable (also auditable and legitimate). As a qualified accountant, data from other sources was always looked upon suspiciously and with a sense of mistrust. I was reluctant to produce reports based on estimates created by the Director that would be published university wide. It is one thing to produce forecasts and estimates, but this report was in my view not reliable or robust enough to be published in the way that the Director intended. Also I was concerned that the report's legitimacy across the university would be increased if it was understood that a management accountant had produced it. There would be an implication that I, as a professionally qualified management accountant, had verified the information.*
>
> *When the new Director finally accepted that I would not produce the report in the format that they wanted, they simply bypassed me and got one of their own staff to produce it. That particular member of staff was a junior administration assistant with no financial background, but did as was told by their line manager. This resulted in a situation where I produced a report based on known quantifiable data that I was confident in, and the department produced a similar report but included data and figures generated internally by the department that sat outside of the finance system. The Director didn't ever tell me to stop producing my version of the report, but also arranging for the preferred alternative version to be produced. So there were two version of a report being produced.*

The issue concerned control over the financial content, rather than the presentation. The researcher only reported data generated by the finance system, whereas the director wished to make adjustments based, in the researcher's opinion, on what they would like to see (Migliore, 2015). The researcher's professional opinion was that this was a dangerous and potentially manipulative action. In a similar reaction to some whistle-blowers, the Director effectively excluded the researcher from department matters and there was apparently nothing that his senior finance line managers could do about it. Neither did central finance challenge the Director's motives for wanting to adjust the finance reports, which illustrates the power differential that was prevalent.

In addition to senior faculty and service team figures, the management accountants interacted with staff that were below the school director, invariably shared school

budget-holders. Equally, within the service team areas there were sub-levels that consisted of administration staff who interacted with the management accountant. The interactions that took place between the management accountants and school budget holders and administrative staff, was reported at different levels. Reports from service team directors illustrate the point.

> **S4**: *My PA is very adept at running reports*!

> **S5**: W*e do have an admin person looking at the management accounts. They do have access to Oracle reports. Although the management accountant provides the university view that I can check back to.*

Further, service team Director S6 alluded to the level of detail that administrative staff would address.

> **S6**: *I have access to the Oracle reports, but due to lack of expertise I rely on the management accountant. Also my PA checks certain details like invoices paid or orders placed.*

Vignette: Research diary: Customer Service: successful activity

I recall the good working relationships I had with some of the service teams. Very often there would be telephone calls asking for assistance in running an expense report or perhaps to confirm the results of variance reports. The complicated nature of reports caused ongoing issues for administrative staff trying to run reports for themselves. Fortunately a number of them would ring the researcher for confirmation if they were in any doubt as to the accuracy of the self-service reports. Without this close working relationship, inaccurate reports could have been acted upon by senior service team management.

Another perceived source of tension and contradiction referred to management accountants being recalled by central finance staff, usually at a late stage, to resolve a situation. This post-hoc arrangement, with no formal lines of agreement, was reported as an affront, in that it invariably made no sense for them to be involved at all. The

perception the management accountants held was that as central finance staff implemented the rules and regulations, they were best placed to address any problems. Thus, this unclear division of labour was reported in terms of central finance staff influencing faculty staff activity in an inefficient way. M2 provided a reason for this tension.

> **M2**: *I don't think our roles are defined enough. Either for us or the people in central finance, we are a catch all.*

M2 also recalled a regular occurrence, wherein central finance issued a tuition fee report detailing a list of people that need to be charged to the faculty.

> **M2**: *The list would go back and forth across the faculty and when we finally say back to central finance that some of them shouldn't be charged (i.e., list is wrong), all they say is that we need to check with student finance. This is a bad process. The management accountant isn't in control of it but we are brought in to it and are made responsible. Why do we have to confirm the list with student finance? Surely the list should have been checked before it was sent to the faculty. We didn't have to get involved at all if central fiancé had of done a complete job rather than half a job.*

It is apparent from the management accountants' reports that within the faculty and service teams for which they were responsible, that a division of labour exists. However, whilst the division exists at all levels and even outside to central finance, the degree of clarity, particularly of control, is exacerbated by a lock of formalised role responsibilities. This lack of clarity had been reported as impacting negatively on the management accountants' personal and professional identity.

7.4 Professional identity

In this section the effects of tensions and contradictions on the management accountant's professional identity are discussed. The shared experiences in the previous sections highlight tensions between the management accountants and the senior faculty administrative roles, such as the faculty manager and faculty operations director (Roth & Lee, 2007). In line with their perceived subservient relationship with professionals in central finance, the management accountants felt disadvantaged in their relationship with senior faculty administrators, who held higher grades and whose job descriptions included responsibility for faculty finance. The sections above have compounded the process of identity, through examples of the poor treatment, including exclusion from senior management team meetings and decision-making process. The perceived source of the inferior treatment the management accountants received, related to the grading assigned to their role. The lack of role descriptors further compounded the inferior status within the university. Situations were reported where faculty administrators duplicated financial reports, to the detriment of management accountants who prepared such reports in line with their reporting responsibilities.

Vignette: Research Diary: Faculty staff database

In some instances faculty Deans would try to maintain control by insisting that their own staff create faculty staffing databases, even though the management accountant would prepare such reports as a matter of routine for the faculty budget process. Deans were reluctant to release control of their staffing numbers to the management accountants and so would let their own administrator prepare the document. The management accountants had no choice but to take into account the faculty version when creating their own versions.

This situation was highlighted by F1.

> **F1**: *In that faculty the faculty manager looks after the pay commitment, but an admin assistant effectively looks after it as they are the more computer numerate of the two of them.*

It is interesting to note that in the above quotation (F1) the administration assistant was on the same pay grade as the management accountant, yet neither the Faculty Manager nor the administration assistant held any financial qualifications. Such duplication of resources was reported to have an impact on the management accountant's perception of their role and of their wider social identity across the university (Van Aalsvoort, 2004). Apart from the duplication, the exclusion from decision-making processes and the inability to enact change impacted on the management accountants in a negative manner.

Maintaining motivation in such circumstances proved to be difficult and the efforts made and the self-motivation needed to provide a constant professional service to their customers was discussed earlier (see chapter five). Management accountants reported how they lacked the status and influence with which to argue for change, either individually or as a group. A further compounding factor related to the shared a perception that their line managers invariably failed to act, support, or intervene on their behalf. Thus, despite holding professional qualifications and having pre-university work experiences, the lack of acknowledgement from the faculty and service team management, was damaging to their identity. This lack of status, coupled with their voice not being heard, was reported to have major implications for job satisfaction and the management accountant's self-worth (Roth, 2014). There were, however, occasions when recognition of the contribution made by management accountants was forthcoming. Indeed, there were reports of acknowledgement that the management accountants endeavoured to provide good customer service. As F2 suggests:

> **F2**: *The management accountant role is a good one and needs to be decentralised. However, if it is the management accountant's role to manage faculty finance, then it needs to be a bigger role. Each faculty can be viewed as a corporation, although the new Vice-chancellor and Finance Director would have us act as one entity.*

Service team Director S4 added that the management accountant role was valued.

> **S4**: *Of course it adds value, it is an essential role.*

However, S5 added a hint of caution.

> **S5**: *The role is a very good role, but the role has changed dependant on who is in post.*

One reason behind the perceived variation in service levels from one Management Accountant to another was provided by S6.

> **S6**: *The relationship with the management accountant is good, but their workload has increased so it is getting harder to get hold of them and get answers.*

A similar view was reported by S7.

> **S7**: *The management accountant could be more responsive, although I do realise the demands placed upon them.*

There were some indications that faculty management recognised that the actions of central finance was separate from the management accountant function and thus, shared the frustration felt by the management accountants.

> **M3**: *Some Deans/directors have confided in me and called people in the centre for everything, so they do seem to distinguish between the management accountants and central finance staff.*

A contradictory view concerning management accountant's involvement was expressed by service team Director S8:

> **S8**: *Management accountants should know more about what my area does.*

However, in the following sentence they appeared to contradict this thought.

>**S8**: *Don't think that management accountants needed to attend every team meeting*.

(S8)'s comments provide an indication of the difficulty management accountants experienced in fulfilling customer demands and expectations and, in a slightly whimsical manner, 'success' might require a split identity, or personality. One reported management accountant dilemma referred to the contrasting demands of facing immense time pressures to cover all their allocated areas, whilst finding time to attend numerous meetings. Such a dilemma is not dissimilar to other management roles, but with respect to professional identity, the management accountant needed to determine which will accrue the greatest status (Feijter *et al.* 2011).

7.5 Power relations

In practise, the introduction of decentralisation exposed the management accountants to an increasingly political environment, with faculties attempting to protect their financial independence and control of budget allocations. In certain cases it was reported that the new arrangement of finance business partner threatened faculty independence, which created tensions and contradictions within the activity system (Avis, 2007). The changing emphasis of the university towards a more holistic view is summed up by D2 and D3.

>**D2**: *One of the things that has not been articulated by the new Vice chancellor or Finance Director is the change from viewing the faculties as independent business units to a university view only. This fundamentally changes the power of the Deans role.*

D3 suggested wider discontentment at senior levels with respect to the changing

direction of the university, was a possible reason for the failure of the management

accountants to fully integrate with the faculty management.

> **D3***: The Finance Director and Vice chancellor are changing the model of the university and nobody has made it explicit that is what is happening.*

Such discontentment can explain the resistance to the inclusion and acceptance of

management accountants to the faculty management teams with D1 suggesting that.

> **D1**: *The relationships will change as the power and control moves away from the Deans to the centre.*

A similar viewpoint, was offered by School Director.

> **S9**: *Finance is becoming more dictatorial in operation. More an overseeing body rather than a department we can work together with.*

The variation between faculties was discussed earlier, with a natural outcome being that

the management accountants each operated differently, with some being completely

integrated, whilst others experienced entrenched resistance.

Vignette: Research Diary: Resistance to change

I and at least one other management accountant experienced situations where faculty senior management refused to pass financial information onto us. On another occasion I was told off-the-record by a School Director that the Director of Operations had instructed all school directors to withhold information from me for a particular costing exercise. As a qualified accountant with years of experience in other organisations I had never experienced such alienation or be placed in a position where I'd had been so overtly cut out of proceedings. As the person directly experiencing alienation of that level for the first time I was uncertain how to feel about the situation and how to deal with it too. Should I take it personally, or should I take the view that the faculty management were acting in such a defensive manner because they were trying to resist the increasing control being exerted by central finance? On the first occasion I took it personally, only later when reviewing the research process can I look with distance at the events and make sense of the activity and actions of the faculty senior management.

On some occasions, the degree of management accountant assimilation was reported in terms of a battle for power between the faculties and central finance. Moreover, M3 reported that individuals were the cause of the 'problems'.

> **M3:** *Current problems exist with politics and communications within the faculty structure I think it is down to individuals as opposed to structure. I had a close working relationship with the previous Dean and directors, but since the merger the current Dean steps away from the financial side of things and leaves it to the Director of Operations.*

Whereas M2 outlined the experience of being caught up in the conflicting activities of faculty and central finance.

> **M2**: *There are so many examples I don't know where to start. When we are in the faculty, we are the face of finance and we get all the frustration taken out on us.*

Regarding the power relationships between central finance and the faculties and service teams and how management accountants reside in the middle, M3 reported that.

> **M3**: *If they're not talking, you are caught in the crossfire. There's a big battle for control at the minute (faculty management vs. central finance management) so being in the middle is quite difficult at present.*

The management accountant's positional power was perceived as weak, yet this may have cascaded down from higher sources. Discourse within the faculties implied that rule changes, were deliberately introduced into faculties by the Finance Director and the Vice Chancellor, as a challenge to their powerbase means and, as such, a level of distrust arose between the finance department staff and to some extent the management accountants. Indeed, there was a perception by management accountants, that the creation of the faculty roles was defensive act by Deans, against the potential increased influence that central finance where likely to introducing, although at least one Dean

reported that there was no prior discussion of the devolvement of management accountants.

Competition between different professional groups was used to explain the tensions that evolved between the management accountants and faculty management (Bourke & McGee, 2012). Whilst the faculty manager and director of operations did not hold financial qualifications, they did belong to the management profession. In addition, their senior positions within the university hierarchy, indicated by job titles and pay grade, accorded a level of status which exceeded that held by the management accountants. The resultant inter-professional competition arose from the balance of power not, in the management accountants view, matching professional expertise. The management accountants' view that their job grading was insufficient, both in terms of reward and status, has been reported above and whilst it may have contributed to a power imbalance, it is unlikely that any grading would have reached faculty manager level. Thus, the management accountants' perception that they were unable to compete with higher graded faculty administrators would have remained.

7.6 Summary of the relationship with faculty and service team management

In addressing the third research question (chapter one), ways in which the change in structure of the management accounting function affected the perceptions of power within the community have been visited. In exploring the interpretive discourse of the management accountants, along with those of their faculty and service team colleagues, the predominant theme of power relations emerged. A consensus of actors expressed a level of frustration with the new decentralised activity system, with an element of disquiet being apparent in the management accountants' shared perceptions and interpretations. Such disquiet was particularly noticeable in relation to the accountants'

new role and the associated interaction with faculty members and service team management.

In line with Cultural Historical Activity Theory the reported tensions and contradictions that existed between the management accountants and faculty and service team departments were highlighted. In addition, elements of discourse surrounding the management accountants' membership of faculty teams and their positionality within the university were illuminated through personal stories. Individual experiences, showed tensions within the decentralised structure, with it being reported that the management accountants were excluded or held at 'arms–length' by some faculty management teams, although this was not a universal experience.

Within the faculty structure the responsibility for finance in relation to the role of faculty manager and director of faculty operations were reported to impact negatively on the management accountants' role. The duality of financial responsibility was reported to exert tensions within the activity system and directly impacted on the professional identity of the management accountants. Management accountants expressed their frustration with the decentralised system, their limited and undefined role, and the poor treatment received from faculty and Service Team managements and their line managers. Faculty and service team actors equally discussed frustration with the decentralised system, with such dissatisfaction being voiced at a personal level towards the management accountants. Although management actors did appreciate the contribution the management accountants made, dissatisfaction was nonetheless expressed over their perceived lack of influence and power with respect to the division of labour and decision-making process (Postholm, 2015). The de-motivational consequences surrounding the lack of role definition, limited power, inadequate

grading, poor support, the exclusion from decision-making and poor leadership, resulted in reports of low morale.

Having discussed the data in relation to the supporting Cultural Historical Activity Theory the next chapter discusses the wider context of the study, in using the research questions as a framework.

CHAPTER EIGHT

DISCUSSION

8.1 Introduction

This chapter presents a discussion of the concepts that surround the impact of change on the management accountants, following their devolvement to the faculty level. The concepts are examined in relation to the literature review on the changing role of management accountants, along with the associated theoretical underpinnings of role change, perceptions of identity and power relations. The discussion, which is set within the research questions, cites previous empirical research, to provide broader understanding of the changing roles of management accountants.

Research questions:

1. To what extent did the restructure of the management accounting function affect the management accountant's role within the organisational community?
2. To what extent has the restructure of the management accounting function impacted on the management accountant's identity?
3. In what ways did the restructure of the management accounting function affect the perceptions of power within their community?

Having outlined the way forward, the changing role of management accountants are now discussed using the following themes: Role change of management accountants, their perceived identity and image, and the existing power relations within the university. The chapter concludes with a discussion of the role of Cultural Historical Activity Theory in this research.

8.2 The changing role of management accountants

Changing role and maintaining relevance

The university, with a turnover of approximately £170m, had a substantial Finance Department separated into functional areas. Prior to the implementation of a finance business partner model a clear differentiation existed between the roles and tasks of the financial accountants and management accountants. Management accountants provided the internal financial information requirements, whilst financial accountants addressed the corporate and external information requirements. Together, with the remaining sections of the finance function, they provided the organisation with a finance function framework, of a similar structure to that suggested by the professional accounting bodies (ICAEW, 2011).

Management accounting has, to some extent, survived the earlier concerns expressed by Johnson and Kaplan (1987), regarding the lack of relevance when compared to financial accounting. Developments in I.T have benefitted management accountants and other professions alike. For example, operations managers have benefited in becoming direct users of information, in a similar way as the management accountants themselves. Thus, an increase in I.T access can be perceived as a threat the management accountant, with a specific threat emerging from operations managers who have every increasing access to the same financial information. The claim was made ten years ago that management accountants were in danger of being marginalised, particularly with respect to operations managers (Byrne & Pierce, 2007). However, such a scenario assumes that operations managers have the competency, desire and time to understand the financial reports they generate (Lambert & Pezet, 2010). Mixed evidence emerged with regard to finance I.T system access. On one hand, there were management accountants, (M2) for

example, who fully expected operations managers to access the system and generate detailed reports, whilst other management accountants perceived it to be their professional duty and part of the service, to provide the reports for operations managers. This element of pride in their work and level of customer service is linked to identity and status, which will be addressed shortly. Issues surrounding competence and the desire for operations managers to access the finance system raised mixed responses from different stakeholder perspectives. From a faculty manager perspective there are concerns surrounding competence:

> **F1**: '*My problem with Oracle is, effectively I'm an occasional user, so I'm almost starting from scratch every time I go into it, because you don't remember how to navigate around the screens'.*

With respect to one operations manager's perspective, there was little motivation to learn how to access the finance system, with the endeavour being to rely on professional assistance and put the time saved to more profitable use:

> **F2:** '*In terms of cost effectiveness it is easier for me to walk down the corridor to you and say what's the balance on this account, and where are we up to or whatever. Or if you're not there one of the Finance Officers can help me'.*

The view of (F2), can equally be supported by that of a management accountant, with an example being given from another faculty:

> **M1**: '*In my faculty the finance officers provide the detailed reports, school directors are busy enough and have expressed the view that they do not have time to run finance reports. In fact one school Director said that 'that's what Finance is for''.*

In reviewing the various responses of actors, it is apparent that, even at a micro-level, perspectives differ according to the people involved, their background and the situation.

This is no less so, with regard to changes brought about by developing technology and individual's attitudes toward it. The literature provides examples of innovative management accounting techniques, such as activity based costing and the balanced scorecard (Ratnatunga *et al.* 2015), which aimed at re-introducing relevance back into the management accounting profession. However, actors in the current research focused on more complex and immediate issues, with there being little mention of specific management accounting tools being used, However, one potentially serious problem with reporting financial forecasts, referred to a line manager forcing a management accountant to include non-financial information in the report. As this was against the wishes of the faculty Dean, a series of complaints were levelled against the management accountant's ability, professionalism and time commitment to the faculty. Here, changes in practice are seen to impact on others (Turner, 1990), with the management accountant reporting a feeling of powerlessness, in that they were coerced into acting against their will. Further, the faculty Dean questioned the person's loyalty (Saleem, 2015) and from then on adopted an openly hostile stance towards the management accountant, which resulted in a breakdown of relationships.

The management accounting professional body (CIMA) has itself attempted to change the role of the management accountant, by emphasising their ability to work across the organisation in a support role, rather than the traditional finance role. Indeed, CIMA have altered their training programme to better equip future management accountants with the necessary skills to move towards the emerging finance business partner role. One of CIMAs aims was to use technology to gain greater prominence in management hierarchies (Lambert & Pezet, 2010). Prior to decentralisation the management accountants perceived their activity and role as lying within that typically associated with management accounting, that is, as internally focused accountants (Horngren *et al.* 2014); supporting decision making and control (Wickramasinghe & Alawattage, 2007)

and focusing on internal resource use (Birkett, 1998) There was a clear differentiation between management accounting and financial accounting (Bhimani *et al.* 2015), with a perception of working across the organisation, not just within the central finance department. With respect to change, the proposed new direction, championed by CIMA, was seen as a welcome opportunity to expand their role in line with professional body guidelines (CIMA, 2016), considering it as a form of boundary change (Ashforth *et al.*, 2000).

Intention of the decentralisation initiative

The management accountants understood and accepted that the organisation's intention for introducing the decentralisation initiative was to develop their role (Biddle, 1986) and redirect the focus away from their traditional activity. In forgoing the concentration of budgeting, forecasting and number crunching the endeavour was to generate a wider business orientated role (Friedman & Lyne, 1997; Jarvenpaa, 2007), and to provide support at the point of decision (Ma & Tayles, 2009).

The decision to decentralise the management accounting function follows the thinking of Hopper (1980) and Burns *et al.* (2004) who foresaw the change in role. Such role changes aim to bring the management accountants closer to the operational decision makers and provide ongoing support, as opposed to typical monthly finance meeting (Hopper *et al.* 2007). Whilst the change in decentralisation was initially welcomed, with the initiative being perceived as an opportunity to enhance professional standing within the organisation, the practice was different. In this case, whilst the intention was perceived as laudable, indeed beneficial, it is apparent that overall the decentralisation initiative in no way reached its full potential.

Limited success of the finance business partner role

The role of finance business partner has been justified as a natural development for an improved management accounting service, with the decentralised management accounting provision being perceived as inevitable (Hopper, 1980; Burns *et al.* 2004). However, the current research established that decentralisation and the successful implementation of a finance business partner role, is not guaranteed, neither is it a straightforward process (Byrne & Pierce, 2007).

The decentralisation process for management accounting attempted to alter existing boundaries, which, as has been predicted, resulted in both negative and positive impacts (Mork *et al.* 2010). Given the varying perceptions, there are numerous factors that need to coalesce in a favourable way, before success is achieved. In the planning stage, the management accountants were eager to enhance their role and add value to the organisation, and perceived the finance business partner role as their opportunity to achieve this (Goretzki *et al.* 2013). They also recognised the potential for enhanced professional status and raising their profile across the organisation. Once the change was enacted, the expected role, along with the perceived benefits, did not materialise in a consistent way. Variations in management accountant activities were apparent according to their location and the operations personalities involved, in particular the senior management team to which they were allocated. The expectation of achieving full membership status was, in general, unfulfilled. Indeed, actions and influence were limited, both with respect to senior members of the embedded faculty and, on occasions, to members of the central finance department. The perceived failures within the role change tended to impact negatively on certain individual role and social identities (Hammer & Thompson, 2003). On occasions, resistance to change manifested itself as a deliberate act, for example when management accountants were actively exclude them

from the decision making process, or where they were 'disinvited' from senior management team meetings:

> **M3**:*'My latest Dean has advised the directors to remove me from their school senior management structure'.*

Reflecting on the rejection of the management accountants being fully involved, the perception was not one of personal failure to exploit the opportunities or provide a suitably professional service, which many felt they achieved. The source of any misalignment was attributed to members of operations management teams, who despite the positive attempts exerted by the management accountants, a number remained intransigent in their stance (Windeck *et al.* 2013). Another limiting factor referred to the management accountants being allocated to both a faculty and a service team department. The duality of allocation raised issues of perceived loyalty and of attendance, with some faculty senior managers recording that the management accountants' time onsite was incompatible with providing the required level of service (Graham *et al.* 2012). One Dean commented that:

> **D1:** *'The management accountant doesn't spend enough time here. But I realise that their other area is a big job. I have discussed the issue with the Finance Director, so they are aware'.*

In relation to the limited success of the venture, even at the commencement of the change process, one management accountant (M1) asserted that situations concerning time allocation and loyalty would occur. M1 expressed concerns as to how two large areas of the organisation could be served competently, without additional resource. M1 equally raised concerns about the management accountants' ability to service the areas, both from a customer service perspective and from a professional, or prestige standpoint within the organisation (Hiller *et al*. 2014). Whilst M1 represented a long-serving

member of staff, with a positive reputation within the wider organisation, the iterations were not heeded.

With respect to the time allocation of management accountants in their respective areas, numerous stakeholders perceived this as a source of major tension. Further, that issue was never fully resolved to the satisfaction of either party, which contributes to the limited success. Management accountants also perceived their junior grading to be a major factor in reducing their influence and positioning (Hamilton, 2013) within the organisation. The view was held that the Grade 8 pay scale did not provide them with either the status or sufficient seniority to influence decision-making. They argued for a higher grade, both from an influence perspective, but also to counter the negative stereotypes that are invariably associated with accountants (Vaivio, 2008; Jarvinen, 2009). In practice, they held the lowest grade on the senior management teams and personalised this situation as a negative statement by the organisation. An associated limiting factor concerned faculty senior management not being professionally qualified yet residing on higher grades. One Faculty Manager commented on the financial literacy of a colleague:

> **F1**: *'In that faculty the Faculty Manager looks after the pay commitment, but an admin assistant effectively looks after it as they are the more computer numerate of the two of them'.*

With respect to grade, the administration assistant cited by F1 held a Grade 8 post, which is equivalent to that of the management accountants. Further, a general perception held by the management accountants was that their finance department line managers did not support a Grade 9, with this perceived lack resulting in a breach of trust. This element of doubt, together with subsequent concerns surrounding multiple instances of an absence of line management support, resulted in the management

accountants feeling isolation and sense of helplessness. As M2 recalled "I've never been told what to do, I just got dropped off at the faculty and left to get on with it".

Restricting the finance business partner role.

There was little or no evidence of the natural tension between the management accountants and operations staff, as was observed by others (Johnston *et al.* 2002). Relations prior to decentralisation were reported as 'distant', but overall were considered 'good'. The management accountants attributed this to the situation prior to the role change, when there was no expectation that management accountants should be part of operational decision-making (Moll & Hoque, 2011). At this point, boundaries were in place that were recognised and accepted by both sides (Siti-Nabiha & Scapens, 2005). However, following the implementation of the changing role, whilst tensions and contradictions rose, they were felt not to be a natural state of affairs, rather the perceived source was expressed as a deliberate act of resistance by operations management (Ezzamel & Burns, 2005), so as to neutralise the imminent increase in influence from the finance function.

Minimal support was offered by operations management, with their opposition to the decentralised role, being expressed in both overt and covert ways. The management accountants divulged how some of them were 'disinvited' from attending senior management team meetings, whilst others reported that senior faculty directors had, on occasions, covertly instructed school directors to withhold information from the accountants. Burns and Scapens (2000) explore different types of resistance to change of which the management accountants experienced a perceived competing interest, along with resistance due to mental allegiance. A preference by operations management to be dogmatic and to some extent cavalier, in financial matters, without recourse to a

management accountant and ultimately the finance department, provided a point of resistance. Indeed, the management accountants felt that it was a desire to limit the management accountants' influence and subvert central finance department intentions (Jansen, 2010) that led to the introduction of the faculty manager role. This point of resistance, which limited the overall success of the initiative, is compounded by the responsibility for faculty finances being formally incorporated within the faculty manager's, via the job description. This duality of responsibilities, with one party holding a more senior grade, resulted in the management accountants perceiving this as debasing of their role, with their subsequent influence being less than expected. M3 expresses, what is perceived as a broadly held view, on the situation surrounding grades.

> **M3**: *'There is a big disconnect between the new role of director of operations and management accountant, both have a financial role within the faculty. However, one is at director level and we're a grade 8. How did that come about? Even at the start, the faculty managers were grade 9'.*

The operations teams, by introducing a competing faculty role (Siti-Nabiha & Scapens, 2005), aimed to retain a large degree of financial power and influence, within their own management teams. At the same time, the introduction of the faculty manager role reduced the potential for the management accountants to operate in a fully effective way and further reduced their ability to function a full member of the operations management team. Given the imposition of such limitation, even where management accountants were a nominal part of management operations teams, there status was perceived as one of being a junior member. A further limitation concerned the report that each operations management team functioned in an independent way, which results in an organisational-wide disparity in the faculty accountant's role. Such a viewpoint is portrayed by F3:

> **F3**: *'Every faculty is different. When I look at the faculty manager role I know that every single one of us has a different job. Completely different, the activity is unique. You could say that each faculty is a food chain, say one is McDonalds, one Kentucky fried chicken, etc. It's all food but you are all doing different things, there are different costs, different activity'.*

Nonetheless, each management accountant claimed that, despite, the perceived unfairness of the situation, the contribution they made to their operations team was to the highest standard of professional practice. Some faculties recognised this commitment, which in some instances, resulted in management accountants being asked to make a greater contribution. Whilst the commitment was recognised, there is an absence of evidence that operations management teams devolved any significant power to management accountants, in a consistent way, and, as such, they could not operate as finance business partners in an accepted sense (Windeck *et al.* 2015). Tensions and contradictions within the activities between management accountants and central finance departments were also raised. Management accountants vented their frustration with regard to their treatment by central finance staff, with the communication of rules and procedures, delays in processing transactions and I.T reporting, emerging as the most notable concerns. M3 offered a view of the relationship: "W*e are undermined regularly"*. Lambert and Pezet (2010), along with others, argue that I.T systems can positively influence an organisation's ability to introduce the finance business partner role successfully (Baldvinsdottir *et al.* 2010). In the study organisation it is evident that the management accountants experienced major issues with the centrally controlled finance systems. Although responsible for the end production, the management accountants had no control over the formatting of the reports. They further illuminated how their views and recommendations went unheeded, thereby resulting in inadequate system reports that required manual adjustment. In addition, these I.T frustrations were compounded when access to finance system reports was withdrawn, without

consultation or consideration of their role as the finance business partner. Ultimately, as suggested by Siegel *et al.* (2003a) an organisation must be willing for management accounting roles to change (Graham *et al.* 2012); in the current study there was hesitancy in fully embracing the new role of the finance business partner, which limited the ultimate overall success of the initiative.

With respect to organisation, senior faculty management had, over time, created a culture in which the various academic areas enjoyed a high level of independence. This allowed staff to view the organisation in a particular way (Jarvenpaa, 2007), with the finance function traditionally being perceived as a support mechanism, much like other administrative support functions. Within the hierarchical framework of the study organisation, it was apparent that the finance function was not accorded as much power, as might have been the case in other organisations. Further, the positioning of the finance department by other sections and departments within the organisation had direct implications for how the management accountants' role was considered within the organisation (Morales & Lambert, 2013). Indeed, within the faculties, the 'consideration' manifested in being suspicious of the role change for the management accountants. For some, it was perceived as a mechanism by which the finance function could increase its control over the organisation's operations management. Siti-Nabiha and Scapens (2005) argued that an institution can influence management accounting practice, including the role of management accountants. Evidence was presented that illuminated how sub-cultures from different areas of the organisation influenced and shaped management accounting practice, and the extent that resistance to the finance business partner role rendered it ineffectual. For instance, M3 discussed the difficulties of integration "*A big problem is not getting information from faculties when you need it and being kept in the loop".* In reality, faculties and service teams managed to circumvent the organisation's activities, so as to maintain their preferred course of

action and power base. Thus, it is apparent that the limitations of the finance business partner role impacted not only on the organisation's activity, but also on the individual management accountant's perception of their identity and image within the wider hierarchical framework.

8.3 Identity and image following change

Attention now turns to the consequences surrounding the new finance business partner role and, as they sought to understand their role and position within the organisation, how these impacted on the on management accountants, particularly their image, identity and prestige, and ultimately their legitimacy.

Vulnerable image

The management accountants viewed their proposed role change in an optimistic light, perceiving it as a means of promoting their skills as professionally qualified accountants, and in making a valuable contribution to the decision-making capacity of operations teams (Goeretzki *et al.* 2013). The management accountants expressed a desire to create a positive image in their role (Haslam, 2011), which would allow them to add value, build relationships and become accepted within the operations management teams (Taylor & Scapens, 2016). Indeed, such aspirations are identified as prototypical characteristics that are ascribed to professions in the field (Hiller *et al.* 2014). In addition to their aspirations, the management accountant's felt pressured into believing that it was they who had to justify their membership of the operations teams, with it somehow evolving that they alone were personally responsible for relationship building. They perception is supported by central finance senior management, who,

whilst offering minimal support in relationship building, attributed any tensions within the activity system to an individual management accountant's performance failure, which raised questions about the individual's job security (Selenko *et al.,* 2017). This situation led to a perception of isolation and demotivation amongst some management accountants. The isolation was further compounded by senior central finance management ignoring pleas for assistance, failing to intervene in their defence or to mediate when tensions and contradictions arose, as confirmed by M1: "*I'm demotivated by a lack of support from central finance line managers and the Finance Director.* The management accountants were conscious that their image across the organisation was vulnerable (Morales & Lambert, 2013) and open to unfavourable interpretation by the operations management team members. The resulting discriminatory behaviour materialised, irrespective of the dedication and diligence of the management accountants' and their commitment to creating a positive image (Hogg & Vaughan, 2013). In a wider organisational sense, they were astutely aware that the negative actions of central finance department staff could impact on both their role and image.

The struggle for identity

With respect to identity, those taking part in the research highlighted situations whereby unqualified administrators exercised considerable power that resided in their job titles and superior status alone, and which was at the expense of the qualified accountants. It also emerged that once operations managers were granted access to the finance I.T system, along with the ability to generate their own finance reports, they were in a position to challenge the role of the management accountants (Mir & Rahaman, 2013). Unlike financial accountants, whose focus is external, the internal financial information provided by the management accountants was available to non-finance managers, which

created a difficult environment. In this situation, where there was competition for providing financial information, the management accountants perceived that their reduced influence and input, impacted on the identity and status. The management accountants reported that the situation created challenges, especially as they attempted to add-value, build relationships, gain acceptance and inculcate a sense of belonging within the operations management teams (Cote & Levine, 2002). The perceived feelings of isolation and demotivation, often being trapped between the two antagonistic groups of central finance and the operations teams, further damaged the management accountants personal identity and their social identity within the wider organisational setting. As further negative factor that impacted on identity, related to the management accountants attempts to make a positive contribution to the operations areas, which, on a number of occasions, were rejected (Hogg & Vaughan, 2013). One example is seen in a management accountant being 'disinvited' from senior management team meetings, whilst others had information withheld, or were bypassed by operations managers, who dealt directly with central finance departments.

Management accountants complained of regularly being undermined, both in the faculty and via the continual lack of support from their central finance line managers, of whom they were highly critical. Trust issues with line managers first emerged with lack of perceived support in establishing the management accountant role as a Grade 8, and failed to improve substantively as time progressed. A person's identity is related to their personal image and perception of the social world in which they function (Morales & Lambert, 2013). The perceived lack of guidance concerning expectations within the role, coupled with a lack of direction from senior finance line managers in resolving tensions played a part in how the management accountant perceived themselves and how others saw them. Further identity damage was caused through reported examples of the management accountants being bullied by operations management, along with the

lack of support from senior finance management. Equally illuminating were reports of management accountants being placed in compromising positions as a result of their line manager's actions and being left to defend themselves against operations team discontentment. This and many other situations, sought to undermine the management accountant's position as a trusted member of the operations management team, and impacted on the identity, both as a professional and as a person. Finally, a lack of clarity from line managers, both with regard to communication and instructions, invariably resulted in the management accountants interpreting directives differently (Stark, 2007). This inconsistency served to damage their identity and professional reputation in the wider organisation, which the management accountants perceived as unjust and unwarranted.

The struggle for prestige and legitimacy

It has been suggested that management accountants can struggle with low prestige in comparison with other groups within the organisation (Hiller *et al.* 2014). It was apparent that within the study organisation, the decentralised change in role did not improve the self-perception of the management accountants with respect to their levels of prestige and legitimacy within the organisation (Eysenck, 2015). Indeed, in certain cases, it was apparent that the role change negatively affected the image of the profession (Warren & Alzola, 2009). Prior to decentralisation the management accountants' legitimacy was identified with being a traditional information provider, although with the decentralised reorganisation that legitimacy was questioned, particularly as the status and positional pay grading failed to materialise. Indeed, the levels of resistance, along with the barriers that operations teams instigated across the organisation, not only affected the legitimacy of the role of the management accountants

but also impacted on their identity. The management accountants reported a strong awareness of 'self' (Leary & Tagney, 2012), along with their prestige, with it being asserted that the feeling of isolation and demotivation that emerged from their new role, reduced both their perception of worth and prestige and impacted negatively on job satisfaction. A feeling of being powerless to counter tensions, along with perceived loss of professional orientation (Shafer *et al.* 2002), was challenged by the management accountants through their efforts to influence and legitimise their decentralised role, although they were aware that legitimacy would ultimately be accorded by others in the community. Satisfying customer needs and expectation is likely to provide prestige and, to an extent, legitimacy, yet the management accountants reported a dilemma with regard to time. The impression was that insufficient time was available to satisfy the two main customers; faculty and service teams. In attempting to satisfy both areas within a time allocated that was insufficient, resulted, at times, in underachieving in both, which reduced the prestige associated with the management accountants' role. The lack of support from operations management, who equally failed to acknowledge the problems associated with servicing multiple areas, further impacted on prestige. The failure of senior operations management support, or to provide legitimacy to the finance business partner role, was perceived within a strategy to maintain their existing power base.

8.4 Power relations following change in structure

It is apparent that the change to a finance business partner model created major tensions within management accounting activities across the organisation. The extent to which power relationships between the finance department and other areas of the organisation contributed to the tensions are now discussed in greater detail.

University politics and power

The influence of organisational politics and the associated elements of power, is thought to be inevitable during a period of substantial change (Burns, 2000), such as that examined here. The stated aim of the decentralisation process was to reduce barriers between finance and customers of academic and support area management. It reality, it was established that the management accountants were exasperated, which is not unusual in a change situation (Hogg & Vaughan, 2013), and experienced negative reactions from both operations management and central finance staff, which showed little improvement over time. When existing boundaries are moved, moderated or crossed, during the change process, political elements are likely to be introduced (Mork *et al.* 2010). In the current situation, power rested with the established senior finance management, who sought to change the way internal financial reporting was carried out, by the introduction of a decentralised system that embedded management accountants at the customer interface. The holding of power, however, meant that, rather than being a negotiated process (Mork *et al.* 2010), the decentralisation was imposed and gave little appearance of being communicated effectively (Guerrero & Andersen, 2007). Faculty manager F2 recalled not having any say in the new role of the management accountants within the faculty:

> **F2**: '*No, they just arrived. I think that is part of the problem because there were never any clear guidelines as to what the relationship should be.*

When strong power differentials exist, as in the current study, a high level of resistance can emerge and, indeed, some operations managers reported that the lack of consultation as to what the finance business partner role entailed generated an initial resistance. One service team director argued that a service level agreement was needed, similar to one that their department had implemented with faculties across the

organisation, although a degree of power would be required to enact this. Indeed, a service level agreement was never formally proposed by central finance management. The management accountants shared the feeling that the role and they themselves, had been imposed on reluctant operations management teams.

> **M1: '***The relationship with the Dean is very formal. I feel that I have been imposed on the faculty without any buy in from the faculty'***.

The perception of the management accountants was that the operations teams felt that their actions could threaten the structure and, as the stakeholder with greater power, sought to negate any potential negative outcomes (Gadot & Talmund, 2010) by repeated attempts to minimise their role. Not unusually (Siti-Nabiha & Scapens, 2005), barriers were created in order to maintain the long established distance between operations management decision-making and management accountant activity, which was perceived as 'top–down' positional power (French & Raven, 1959). The current research supports the largely negative aspects of organisational politics, reported in management literature (Hosen & Hochwarter, 2014), wherein the resulting tensions lead to a perceived impairment in performance. Further, the effect of the imposition, by those holding power, on the management accountants has created job stress (Sonnentag & Fritz, 2015); reduced job satisfaction (Saleem, 2015) and lowered self-esteem (Cote & Levine, 2002). In addition, the three-layer framework of power (Hardy, 1996) is apparent, within the lack of decision-making power attributed to the management accountants. Further, in holding greater power, central finance maintained control over I.T finance system reporting and, in so doing, relegated the management accountants' status to that of a low expert (French & Raven, 1959), which was not commensurate with their knowledge, or as finance professionals. On occasion, central finance barred management accountants' access to the I.T finance system, which reduced their

capability to input, design or format reports. A further illustration of the power

differential surrounds the management accountant's lack of input into central finance

policy or the shaping of legitimate agenda, which, as professionals, they would

normally be expected to do in the field (Gee, 2011).

Historically, faculty and service team senior management teams exert considerable

levels of power within a higher education establishment (Cote & Levine, 2002).

However, in the case of the management accountants, their new decentralised role

tended to limit, rather than increase, their power, with barriers being positioned that

denied them access and exclude them from the decision-making process. In addition,

their capacity to meaningfully influence meaning processes was reduced (Swan *et al.*

2002), with their contributions being ignored or countermanded. The feeling of

helplessness that emerged amongst the decentralised management accountants supports

their asserted reduction in power, with the allocation of power only being sufficient for

minimal activity (Swan & Scarbrough, 2005). In some respects, innovation is viewed as

a political act by which professionals negotiate, to advance or defend their position,

within the activity system (Mork *et al.* 2010). An example of the political act

phenomena is illustrated through the attempt by central finance senior management to

introduce a decentralised management accountant role, which at the same time would

increase their financial control of other organisational areas. The change brought an

instant and robust defence from the faculties and service team management who sought

to protect their power bases.

Role ambiguity

During a decentralised process there is a danger of ambiguity being introduced. The concept can be identified as goal ambiguity, authority ambiguity and technology ambiguity (Jarzabkowski *et al.* 2010). Within the study organisation different groups exist, such as academic and non-academic, with each having multiple and often competing interests. These interests are invariably used to interpret information and establish the cause of action needed to achieve particular goals and priorities. Authority ambiguity was manifested through the strength of resistance exhibited by faculty management teams. Historically, faculties had maintained independent power bases and sought to maintain their power by negotiating in their own interests, irrespective of the wider organisational interests. With respect to technology ambiguity, the management accountants' reports refer to an absence of a clearly agreed and communicated plan for the decentralisation of their role. As has been outlined earlier, the absence of a consensus agreement for the management accountant role introduces stress, identity ambiguities and demotivation. The requirement was of a purely technical, or procedural, nature and the omission of this process resulted in an ongoing situation that was ridden with complex inconsistencies that caused both individual and organisational tensions. The management accountants voiced that such tensions could have been avoided, or at least mitigated, if their initial professional concerns had been acknowledged.

Individual attempts at job crafting

In being faced with the difficulties of their new role as finance business partners, the management accountants sought to shape and influence their environment, so as to adapt to their individual preferences, location and circumstances (Niessen *et al.* 2016). In an attempt to engender job satisfaction and influence, the management accountants

attempted to integrate and create an enhanced role within the operations teams (Parker *et al*. 2010). Much depended on the location and operations team members concerned, as well as the individual management accountant's attributes, and the initiatives only achieved mixed success. However, it is apparent that the lack of support from central finance senior management influenced the management accountants' ability and, to a lesser extent their desire, to craft a role in the operations management teams (Leana *et al.* 2009). Taking a traditional stance (Wrzesniewski & Dutton, 2001) the areas of task, relational, and cognitive job crafting, present a framework. Individual management accountants reported attempts at task crafting, with one example being decisions and initiatives needed to accomplish tasks, such as monthly reporting, particularly given the lack of direction and limitations inherent in the system. Other management accountants changed their task priorities so as to produce only high-level summary reports, whilst others invested significant time in the production of highly detailed reports. Yet, other management accountants reconstructed their tasks to place a greater emphasis on customer service and regular face-to-face contact. These reported snapshots provide the impression that at least some of the management accountants were, in the light of external guidance, recreating tasks to provide both internal satisfaction and an effective professional service, regardless of the situation in which they found themselves (Tims & Bakker, 2010).

Attempts at relational crafting were less prevalent. If anything, management accountants struggled for inclusion and interaction with senior management. Nonetheless, some of the management accountants made a conscious decision to interact only with senior level colleagues, which was to the determent of with the lower level operations personnel (Tims & Bakker, 2010).

Evidence of cognitive crafting was recorded, although this was invariably associated with a negative perception of role. To an extent, there was cognitive crafting within their professional approach to the work they did, in that cerebral puzzles and problems were needed to address problems that arose. Again, the lack of role clarity provided greater scope for a creative approach, which can increase an individual's motivational drive. However, there were no reports, at any point following the initial decentralisation process, of an increase in motivation, only perceptions of frustration and control, along with an overall reduction in their professional status and image. Hence, in the current study, job crafting does not appear to have the motivational effect that others have reported (Bakker *et al.* 2012). One explanation is that the overall negativity of the situation was too great, with it being difficult to job craft in such a depressed situation. Indeed, the negative perceptions that the management accountants held more clearly parallel the thinking that management accountants considered themselves to be powerless in shaping their roles (Tims & Bakker, 2010). Given the continuing tensions across the organisation, particularly with respect to the management accountants, the situation is likely to remain unresolved (Gee, 2011).

8.5 Summary of the changing role of management accountants

The intention of the devolved management accounting role was to transform the management accounting function from a traditional decision-support provision to a finance business partner model that would forge closer ties with operations management. In addition, by embedding the management accountants within the decision-making process and across the organisation (Gee, 2011), stronger support would be provided at the point of decision. The management accountants initially welcomed the logic behind the new role, envisioning an increased status and enhanced

professional involvement. However, once operationalised, the finance business partner model resulted in ultimate failure, which was due to a number of factors. There was minimal organisational-wide support and from the outset the management accountants had too few resources available to them, to provide an effective service to multiple customers. In particular, there was insufficient time available to satisfy the operations management at the different locations. Senior management, at organisational level, failed to recognise the value of attributing to the management accountants the status or grade that was commensurate with a fully participating senior member of the senior management teams. During the decentralisation process, management accountants reported a lack of guidance and support from their central finance line managers, which eventually led to a breakdown in trust (Ezzamel & Burns, 2005). Thus, a limiting of their activities arose from both the operations management and members of central finance.

The successful implementation of a finance business partner model is not automatic or guaranteed, as it is not a straightforward process and it involves people who have personalities and individual agendas (Galbraith, 1983). The current research has established that numerous factors need to be addressed before a successful outcome is forthcoming. The next section discusses the role that the Cultural Historical Activity Theory framework played in investigating the role change, perceptions of identity and power relations associated with the management accountant.

8.6 The lens: Role of Cultural Historical Activity Theory

Cultural Historical Activity Theory provided the framework for the current research and the role it played is now discussed, commencing with activity networks.

Role and identity: university activity networks

The third generation activity system (Engestrom, 2001) asserts that an activity system is, in itself, part of a wider system of multiple activity systems that focus on a shared object. The voices that arose from the research go towards illustrating how the management accounting activity formed an integral part of the wider organisation's activity systems. The theory recognises that the objectives of the activity system are constantly moving, which is evidenced through innovations, such as the devolvement of management accountants into the decentralised role of finance business partners. Third generation activity system also places an emphasis on the importance of multiple perspectives as networks of activity, operationalised across the organisation, with each contributing to achieving the ultimate goal (Dang, 2013).

As a lens of enquiry, Cultural Historical Activity Theory assisted in identifying the multiple activities across the study organisation and emphasised the various tensions and contradictions that arose following the decentralised management accounting activity. The theory equally provides a framework to exam, from multiple stakeholder viewpoints, the notions surrounding the, who, what and why of management accounting activity. The study organisation is identified as a multi-voiced activity system, with an expression of multiple points of view, traditions, interests, and priorities. The use of Cultural Historical Activity Theory as a lens provided a framework with which to investigate management accounting activity, both pre and post- event, and illuminate what decentralisation activities were involved, and extent to which the activity

developed over a period of time. The central role of tensions and contradictions has been identified as the sources of change and development, wherein the management accountant's experience, in dealing with tension and contradictions, was explored both within and between, activity systems across the organisation. In addition, the theory helped address the expansive transformations, which were identified, as the management accountants' encountered resistance to change, from both operations management and central finance. Another feature of the third generation theory relates to polycontextuality and boundary crossing (Engestrom, 2001), which are identified in the current study as multiple activity systems, in which the management accountants function simultaneously. This multifaceted element illustrates the indivisible nature of multiple systems, particularly when related to those associated with of management accounting. The initial concept of decentralising the management accountant role was intended as a boundary crosser (Engestrom, 2009) and mediator between the multiple activity systems. Reports of shared management experiences that the accountants' undertook in this mediation role have illuminated the difficulties and complexities that exist when accounting professionals act as boundary crossers in complex organisations.

Role and identity: Influence of mediating factors

Cultural Historical Activity Theory illuminated how, over an extended period of time, the organisation's management accounting activity has been shaped by mediating factors. Recognition of the importance of the mediation element provided a structure with which to identify changes over time and the resultant consequences on the activity systems. In relation to the mediating element, evidence is provided that identifies major tensions and contradictions that developed over the control of tools (namely the I.T finance system), the implementation of regulations (by central finance) and the division

of labour (in faculty resistance and task duplication). These mediators identified operations managers as challenging the management accountants' role, and, where possible, seeking to reduce their involvement. These kinds of actions further illustrate the dialectical relationship between the management accountants and other actors within the activity systems, particularly as they attempted to influence activity via the division of labour and other mediating factors (Ryder & Yamagata-Lynch, 2014).

Role and identity: The dialectical process

This research has evidenced the three stages of the dialectical process identified by Magee (2001) as a change to the existing process (thesis) was brought about by the role change of the management accountants (antithesis). The (synthesis) stage did not exactly create a successful resolution, especially in the perceptions of the management accountants, however it is expected that any new situation would itself contain new conflicts. Thus, the countervailing forces and conflicting elements causing a repeat of the cycle as conflicts are resolved time and time again. It would appear from discussions with participants that a conflict free situation would not be possible given the personalities involved and the current practice in place at the university.

8.7 Identifying tensions and contradictions within the activity

Tensions and contradictions are viewed as central to Cultural Historical Activity Theory. Indeed, they are seen as inherent in human activity (Yamagata-Lynch, 2007) and act to divert activity from a shared purpose, which can cause an activity to fail, or to become a catalyst for further change. The identification of tensions and contradictions within and between activity systems can assist practitioners in recognising the practical

implications of changing activity (Engestrom, 2000). The current research identified

nine contradictions that arose from the decentralisation process and which the

management accountants perceived as having made a major contribution to the limited

success that surrounded their decentralised role. Although specific to a particular

university context, the contradictions outline below highlight some practical

implications of change. The contradictions are presented here in an endeavour that they

constitute a practical relevance to those in accounting practice, who may be

contemplating the decentralisation of the management accounting function.

Contradiction 1: Duplication of job descriptions

Evidence is provided that management accountants perceived the introduction of a

faculty manager role to be a duplication of their own expected faculty role. Amongst

many other operational responsibilities, the faculty manager role also included a

responsibility for the finances of the faculty. This duplication of financial responsibility

had the effect of reducing the scope and nature of the management accountant's role and

the amount of influence that the management accountant could hope to exert.

Contradiction 2: Job grading

The issue of pay grading was of major concern for the management accountants. Their

expectations of a higher grade-band were not met. The result was that they were placed

on the lowest grade within the senior management team structure. They reported that

this had consequences for their professional status and job satisfaction within the senior

management team and the university as a whole. They considered the pay grade

influenced their perceived poor treatment by senior colleagues, and ultimately reduced

their potential influence in the operations management teams. The importance of their task should be reflected in the seniority and pay grading given to the position. Management accountants expected full financial responsibility and control, whereas in reality this responsibility and control rested with the faculty manager role.

Contradiction 3: Envisaged role versus actual role

The actual faculty role was a disappointment to the management accountants. Not only in terms of status, job grading and position, but also in terms of the day-to-day job satisfaction gained from contributing to and being part of the senior management teams. Faced with the duplication of finance roles and their belief that they were seen as the junior member of the team the management accountants each intimated that they made the best of their roles in their respective faculties. The management accountants expressed a feeling of limitation of their role and having to exert influence wherever and whenever they could or where allowed to.

Contradiction 4: Operations management expectations

Some Deans and directors expressed dissatisfaction with the time allocation of their allocated management accountants, which in some circumstances, resulted in complaints about the service provided by the individual management accountants as discussed in chapter seven. There had been agreement, as understood by the management accountants, that they were to make the faculties their priority spending the bulk of their time based in their respective faculty bases. However, there appears to be some confusion expressed by more than one operations manager, firstly as to which areas should be prioritised as one service team director thought that the management accountant should prioritise their area ahead of a faculty, and also the case of a Dean

who was not satisfied with the management accountant only being on site three days a week. Such conflict further confirmed the management accountant's view that they were viewed by the organisation as junior members and that they were placed in an exposed, subservient position and not a position of being able to contribute to the strategic decision-making of the university.

Contradiction 5: The management accountants' liaison role

Faculty management teams enjoyed a high degree of autonomy within the university. Therefore, procedures and structures were different in each faculty, depending on local requirements and preferences. However, one consequence of such local management practices was that the finance business partners all appeared to be working in slightly different ways. This is not something that the central finance senior management appear to have been appreciated fully when implementing the decentralised model. It is also noted that this is not something that they attempted to change post implementation. This apparent lack of understanding of local faculty management practices not only created tension and contradiction between management accountants and operations management teams but also between management accountants and central finance staff.

Contradiction 6: Line management and loyalty

Management accountants are line managed by central finance management and on the whole they believe that this benefits them, as this potentially diminishes the influence that faculty management has over their actions and decision-making, even though evidence is provided to show that this was not always the case. Management accountants thought that their positioning between operations teams on one side and the faculty on the other left them in a difficult and sometimes uncomfortable place. Their

line managers in central finance demanded unquestionable loyalty, but they were also members of operations teams who also demanded loyalty and discretion. There was no recognition from central finance staff that the faculties and central operations departments very often have their own goals and objectives, which may or may not be in the interests of the university as a whole and that finance business partners would be part of these goals and objectives.

Contradiction 7: Management accountant exclusion

Burns and Scapens (2000) discuss resistance to change due to competing interests. This research has established that there were instances where more than one faculty decided to block the information flow to the management accountant because they did not want sensitive operational financial information to be passed onto central finance. The occasions where the operations directors have withheld sensitive costing information places the management accountant in a seemingly impossible position, the faculty refuse to pass on information because they don't want central finance to know too much, but then central finance maintain that the management accountant is the responsible person to get the information. Consequently, management accountants report that they were often made to look like they are not doing their job properly if they were unable to access information on behalf of central finance.

Contradiction 8: Management accountant line manager support

There was a lot of criticism from the management accountants in relation to their line managers in central finance. All management accountant respondents complained of a lack of support over one issue or another, and multiple examples are provided in the chapter five. Management accountants also expressed the view that the decision to

decentralise had not been thought through completely and there appeared to be no plan of action to deal with tensions and contradictions caused by acts of resistance by operations management. As a result management accountants reported that they felt that they were subject to role change but without support. Central finance senior management appear not to have consulted the operations management sufficiently, or more importantly, obtained their full agreement for the implementation of a decentralised management accounting model. Such lack of agreement and understanding of the intentions of the decentralised management accounting model may explain the differing expectations of operations management, the acts of resistance and lack of acceptance of management accountants described in a number of the contradictions described above. Senior finance managers were described as being reactive rather than proactive, offering no support to management accountants and not providing any alternative argument to any decisions made by operations management. The result of this apathy is that a number of contradictions were not resolved but merely accepted as being the new way of doing things. It appeared from the management accountant's viewpoint that the operations management were in a far more powerful and influential position than the finance function. Something that perhaps senior finance management should have considered when first contemplating the finance business partner model.

Contradiction 9: Lack of review mechanism

The decision to decentralise the management accounting function needed a review mechanism in place to monitor the effectiveness of the process, and to measure the impact the new structure was having on the organisation in terms of financial control and financial decision-making within the faculties and service teams. Without such a

mechanism, the decentralised model was left to develop in an uncontrolled manner, at risk of manipulation by powerful sections of operations management, and ultimately being ineffective due to the inconsistent way in which activity had developed in local operations management teams.

Research evidence would suggest that tensions and contradictions diverted activities away from the shared goals of the university, resulting in the finance business partner role being marginalised to such an extent as to be ineffectual. This in itself gives rise to further activity change (Roth & Lee, 2007) as the university sought a resolution to create effective management accounting provision. New ways of working evolved as tensions and contradictions transformed social forces Decortis *et al.* (2000) although not perhaps in the way that central finance senior management or the management accountants themselves had hoped for.

8.8 Summary of the role of Cultural Historical Activity Theory

Cultural Historical Activity Theory is used as a lens for the investigation of management accounting practice within the socially and contextually bound activity systems of a university over an extended period of time. The structure that Cultural Historical Activity Theory provides enables the researcher to analyse social interaction by recognising the changing positionality of actors, effects of mediation, and historicity within multiple levels of the activity system. This research illuminates how the university community has undertaken practice over an extended period of time. During which, the community has negotiated the division of labour, it has implemented or disregarded the rules and has used available tools in order to produce the object of activity.

Cultural Historical Activity Theory works well with qualitative research (Barnard, 2010; Sam, 2012), and in particular insider research (Hanson, 2013) recognising that activities can only be understood in context and that different perspectives are needed in order to understand the activity. It is particularly useful in this research that is concerned with depth of data rather than large sample size (Tan & Melles, 2010). Changing practice is fundamental to Cultural Historical Activity Theory and has enables the identification of issues across the entire activity system of the university by taking into account different viewpoints of the actors (Decortis *et al.* 2000). Cultural Historical Activity Theory provides the insider researcher with a lens to obtain valuable insight into the perspectives of individuals and groups operating within the university's activity system. The next chapter concludes the research by drawing together the major findings and key contributions of the research.

CHAPTER NINE

CONCLUSION

9.1 Introduction

This final chapter firstly summarises the objectives of the research, following which, the contribution that this research makes to the existing body of knowledge is presented in relation to the interrelationship between the key concepts of role, identity and power. The chapter closes with recommendations for future avenues of research and a concluding summary.

9.2 Objectives of the research

The aim of this research, which was situated within a UK university, was to explore the perceptions that management accountants and others held during the restructure of a management accounting department, which involved a marked change in role. Having worked for the university for a number of years, the researcher's first-hand experience of the decentralised change in role provided a catalyst to investigate the shared perceptions that he and colleagues had experienced. In particular, within the organisation's multiple activity systems, it became apparent that the change process was the instigating factor that provided for a more detailed analysis of the actors' perception of role, professional identity and power relations. As an employee, the researcher was part of the community being investigated, which led to an insider researcher stance being adopted (Hanson, 2013), with the associated advantage of gaining easy access to the multiple activity systems and the actors. The nineteen actors who contributed to the research, comprised management accountants, accountants and non-finance managers, all of whom were selected purposively (Horn, 2009), and with due regard to their shared experience of the decentralisation process.

This research addressed the following research questions:

1. To what extent did the restructure of the management accounting function affect the management accountant's role within the organisational community?
2. To what extent has the restructure of the management accounting function impacted on the management accountant's identity?
3. In what ways did the restructure of the management accounting function affect the perceptions of power within their community?

A full understanding of the activity system was sourced through a variety of qualitative methods, both with respect to generation and analysis (Silverman, 2008). Whilst it was envisaged that the research would eventually lead to improved management accounting practice (Malmi & Granlund, 2009), the immediate goal was an intellectual understanding of the actors' perceptions and the concepts associated with those. To this end, the actors' perceptions were recorded, with an analysis identifying a number of tensions and contradictions that were perceived to impact negatively on management accounting activity across the organisation. The identification of problematic events, conceptual differences and situations, not only highlighted how activity was affected, but how actors' perceptions altered over time.

The management accountant's role change

The first research question led to an exploration of ways in which the change in the management accounting function was perceived by those who, within the organisation's activity systems, were directly involved in the process. In gathering perceptions from the management accountants, along with those key actors associated with their role, aspects of role ambiguity and a lack of role clarity emerged (Horngren *et al.* 2014). This emic perspective provided valuable data with which to illuminate key elements

associated with the change in role. Multiple instances occurred that explained the negative impact that the role change had on the management accountants. Their struggle to provide a devolved service was hampered by a lack of clarity of the role boundaries (Bhimani *et al.* 2015) associated with the new post. Thus, whilst occupying the role, the failure to define either the content or parameters meant that there was an absence of criteria by which to codify or measure success. The frustrations felt by the management accountants over the lack of clarity reverberated to others who were associated with their role. Whilst sharing the frustration, powerful actors within the community sought to capitalise on the situation. By using their superior position, they dictated what the role meant to them, whilst simultaneously holding the perception that the management accountants should increase their allocation of time in the faculty. From the management accountants' perspective a major failing associated with the role related to the grading, which was perceived as inferior in both status and grade. This, they believed, contributed to large degree to their exclusion from senior management events in their devolved faculty. A further negative aspect of the role was the minimal support that was provided from central line management during the day-to-day operational practice of the role. This lack of support for the devolved role also added to the vulnerability of post-holders from more senior personnel, who had more focused personal agendas to pursue. Here it is noted that whilst physical changes to role concern the number and scope of tasks (Bakker *et al.* 2016), the associated cognitive changes impacted on the individual concerned and the perceptions of others of that individual. That is, role relates to a social situation in which various connecting behaviours and beliefs are conceptualised by the actors within a specific setting (Smith *et al.* 2014).

The external perception of role needs clarification between management accountant activities (Bhimani *et al.* 2015), which extends to wider public perceptions of

accountancy activity that relate to 'bean-counting' (Baldvinsdottir *et al.* 2009a), or number crunching (Byrne & Pierce, 2007) or people who control finances (Graham *et al.* 2012)

More specifically, changing the role of management accountants in an organisation, without the prior agreement or acceptance of operations management is likely to be resisted, impacting negatively on the actors involved in the activity. This is reinforced by the management accountants being perceived as a threat by operations management. The resulting conflict that arose due to the implementation of the finance business partner model, added to the natural tensions between operations management and accountants. Further, again, due to an absence of job alignment, the operations management displayed their dissatisfaction with organisational change. Nonetheless, it is clear that role is defined by what the community expect from the person (Smith, 2007), with key actors exerting the greatest pressure to define their own reality.

A major concern felt by the management accountant's new role, was the absence of a job description that reflected the perceived seniority and level of pay grading. This was reinforced by the management accountant's expectation of a role that provided full financial responsibility and control, which did not materialise. The negative consequences due to this lack of role structure greatly affected the management accountant's job satisfaction and their perception of identity. In line with the lack of role description was the omission of a service level agreement, wherein expectations, boundaries and measure the effectiveness associated with the finance business partner role, could be codified.

The final factor associated with role concerns the absence of a performance review mechanism. Hence, an official monitoring process of the effectiveness of the finance business partner role did not exist, which led to two consequences. On a personal level the management accountants were denied an effective performance review process by

which to judge their personal success or failure, whilst within the wider organisation no mechanism existed to measure the impact that the decentralised management accountants had on financial control or financial decision-making. This major omission within the role falls within the observation that the transition to finance business partner role has been categorised with difficulties (Goretzki et al. 2013) and contributed to the finance business partner model being allowed to develop in an uncontrolled manner.

When roles are ill defined, relevant actors seek to a form of boundary change (Ashford, *et al*. 2000) and engage in job crafting (Niessen *et al.* 2016) to firm up the parameters in which they work and it is apparent that the management accountants engaged in this sort of activity.

In conclusion to role, it is apparent that a failure to define the devolved role, along with the grade attached to it, became a significant factor that was responsible for many of the contradictions and tensions that the management accountants subsequently faced.

Impact of role change on the management accountant's identity

The second question led to an investigation of the impact that the change in role had on the management accountant's identity. To maintain control over their own work depended on their position, status and influence within the organisation (Morales & Lambert, 2013). However, the role change had a largely negative effect on management accountants, who provided multiple examples of how their activity differed from how they perceived it should be. Initially, the management accountants believed that the new role would enhance their position and level of seniority within the university. They perceived this to be something that would increase their influence as management

accountants and positively impact upon their identity, although in practice, a general feeling of disappointment prevailed.

Damage to both social and professional identity was exacerbated through frustration over a lack of line management support from senior finance management, which weakened their status and social identity within their embedded faculties. The situation surrounding their social identity provided further tensions, as minimal support or advice was offered, which resulted in a feeling of isolation and being exposed to external pressures. Indeed, the poor treatment the management accountants received impacted negatively on their identity. Damage to the identity of the management accountants', as perceived by others, resulted in negative consequences, both with respect to job satisfaction and a perceived ability to undertake their role.

The situation may have may have also impacted negatively on the management accountants' professional identity, as perceived by those outside the organisation (Warren & Alzola, 2009). Indeed, whether within or outside an organisation, 'professionalisation' is viewed as socially constructed (Hamilton, 2013) and thus, is perceived as being ambiguous, dynamic and a phenomena that is affected by the changing organisational context (McGivern *et al.* 2015). Traditional views that the management accountants belonged to a profession that has been granted a monopoly to deliver a particular skilled service (Shafer *et al.,* 2002) were challenged by the business partner role, which resulted in ambiguity and an associated damaging of social identity, as their legitimacy was reduced.

There is a general perception that management accountants struggle with low prestige, or identity, in comparison to other professional groups within an organisation (Hiller *et al.* 2014) and this was felt amongst the individuals begin studied. Efforts were made to create an identity of how they defined themselves as management accountants, so as to

convince others of their expertise and importance, which often reflected how they wished to be seen (Taylor & Scapens, 2016). However, according to Alvesson and Willmott (2002), organisational self-identity needs to function with a framework that is continually forming, maintaining, strengthening or revising perceptions of the self in relation to others within the organisation.

In sharing, the management accountants attempted to build identity through social interaction and discourse within the contextual activities of their own group (McGivern *et al.* 2015), whilst trying to resolve inconsistencies with other organisational groups. The process of developing a group identity resulted from losing their in-group identity (Haslam, 2001) and the aim to create their personal visions of their worth. However, for any socially constructed reality to be effective, it needs to gain recognition from other actors and particularly those in position of authority, who can dictate organisational reality.

The damage to identity resulted in a lack of trust for operations managers, yet it was they who held the greater power.

Perception of power during the management accountants' change in role

The third question concerned the perception of what power existed during the change, and within whom that power resided. Within an organisational setting, positional power (Galbraith, 1983) invariably resides in the post-holder, who holds the ability to dictate what is legitimised with a certain situation. Indeed, it is apparent that any change to practice implies a redefinition of the power relations and ways of knowing between the actors (Mork *et al.* 2010). With the devolved change to a devolved business partner role the power situation fragmented, predominantly due to a lack of defined and agreed role

boundaries for the new role, This role ambiguity equally led to authority ambiguity (Jarzabkowski *et al.* 2010:220), from which evolved new dimensions of power.

One effect of the emerging change in power, was that it engendered resistance from differing quarters, but most noticeably from the 'customers', in the form of faculty management, who claimed not to have been consulted on the devolved initiative. Feeling that their authority, or control, was threatened, the management tended to limit the involvement of the financial business partners, thereby reducing their power. Indeed, the research illustrated the resistance exercised by operations management individuals and groups when faced with a perceived threat to their existing power. Further, the faculties introduced the new role of faculty manager, who held responsibility for the faculty's finances. Resistance took the form of withholding financial information from accountants and eliminating them from the decision-making process. In relation to power, organisational politics is a microcosm of interpersonal relations (Vigoda-Gadot & Talmud, 2010), wherein actors engage in activities that maximise their personal interest and benefits. It is apparent that this duplication of job roles led to ambiguity surrounding responsibilities and decision-making process, although with the faculty manager holding a higher grade, the power was vested in that post.

Evidence of inter-professional conflict emerged between the newly decentralised management accountants and their financial accounting counterparts. The issues surrounded the perceived minimal support afforded the embedded management accountants, from central finance. In addition to not providing personal support, on occasions, line managers withdrew access to the finance I.T system, thereby limiting the management accountant's ability to format reports. This decision and others, were made from a positional holding of power, which were not able to be challenged easily. In

addition, faculty management exercised a degree of power in resisting central finance initiatives that aimed at making them more accountable.

In the ambiguous situation, where no clarity of job existed, operations managers had the power to resist any standardisation of the management accountant role and negate areas that were perceived as a threat to their autonomy. The result of this power decision was of fragmented role. A further consequence relates to a reduction in association with the technical power that Hamilton (2013) believes surrounds the knowledge and expertise of accounting 'experts'.

The negative aspects of organisational politics and power have previously received attention (Meisler & Vigoda-Gadot, 2014), as have the associated elements associated with a reduction in performance (Hosen & Hochwarter, 2014); job satisfaction (Saleem, 2015) and ultimately job stress (Sonnentag & Fritz, 2015). Certainly, aspects of these factors were reported as a consequence of the power differential that existed within the university.

9.3 Contribution to knowledge: The interrelated key themes of role, identity and power relations

Whilst this research has made a valuable contribution to the wider literature on management accounting, a specific contribution has been made in three specific areas associated with the emergent themes of role, identity and power relations. Further, in addition to identifying each theme's separate influence on management accounting activity, the current research has highlighted how these connected themes are socially constructed by members of the community. Indeed, the shared reliance on social construction, has further illustrated the interplay between role, identity and power relations within the university activity systems.

The contribution to knowledge that has been made to qualitative management accounting is now discussed in greater detail, which emphasises the interrelated key themes of role, identity and power relations.

Contribution made to the qualitative empirical research on management accountants

This research has made a valuable contribution to the management accounting literature in general, and particularly with respect to what CIMA perceive as the emerging finance business partners role for management accountants. The management accounting literature has been labelled as fragmented, particularly in relation to how management accountant are perceived during transitionary roles (Bhimani *et al*. 2015). Within the management accounting literature various views and explanations are embodied that purport to explain status and change, to which are added empirical studies. However, in addition to making a valuable contribution to the general literature on management accounting the current study encapsulates management accounting practice from within a rare insider-researcher perspective, for which no prior published work has been found.

In addition to working in situ, the research was conducted by an experienced and qualified management accountant.

With respect to conceptual areas, the template analysis of the data and iterative coding resulted in the three key themes of role change, identity and power relations being identified. Within the broader institution these concepts refer to the shared understanding, or taken-for-granted assumptions, that identify how the activities and relationships are perceived (Burns & Scapens, 2000). Thus, in addition to the broader contribution that has been made to the general literature on management accounting, attention now moves to the positive contribution that has been made to the associated

areas of theoretical knowledge, through the concepts of role change, identity and power. Further, in that the current research captures the thoughts and perceptions of a group of individuals who were engaged in change, the constructions that were built each tell different stories, which in themselves relate to different perspectives of self (Hamilton, 2013).

Contribution made to the theory of role during change

In exploring the management accountants in situ, the social construction of role, from the various actors' perspectives, was identified, and the debate concerning the perceptions associated with the management accountants' role (Bhimani *et al.* 2015) has made a contribution to role theory. In analysing the finance business partner, the work has made a contribution to this emergent role (Horngren *et al.* 2014) and specifically, how that role was constructed, in practice, through the perception of critical actors within the community of activity. The analysis of perceptions from different levels, further contributed to role theory through the contrasting actors' voices on factors concerning role ambiguity. Along with role restrictions, the ways in which individual perceptions were constructed and perceived makes a specific contribution to the knowledge surrounding role theory. This contribution is made within the context of role as related to a social situation where connecting behaviours and beliefs are conceptualised by the actors within that setting (Smith *et al.* 2014). Whilst changes in role, or its perception, can impact negatively on the individual's role identity (Hammer & Thompson, 2003), during unfavourable circumstances, it can equally have an impact on a person's social identity, a discussion of which now follows.

Contribution made to the theory of identity and image.

It is apparent that role ambiguity can impact negatively on an individual's social identity, which, in itself, is constructed through societal influences (Biddle, 1986). In exploring and analysing elements of prestige and stereotypical images, including 'bean-counting' (Baldvinsdottir *et al.* 2009a), and in building on how self-identity is constructed within an organisation (Alvesson & Willmott, 2002), knowledge in this area is extended. Further, constructs associated with legitimacy and loyalties (Haslam, 2001; Kislev, 2012) add to the knowledge of identity and takes the debate forward. With the work being established within the ethnographic tradition (Brubaker & Cooper, 2000), the social interaction and discourse are situated within the contextual activities (McGivern *et al.* 2015), which extends the knowledge on social identity.

Within the broader field of social identity theory contributions have been made to self-esteem, particularly as perceived through the concept of in-group and out-group divisions (Cote & Levine, 2002), with the management accountants invariably sharing out-group status within the community. With respect to external perception the study makes its contribution to how identity is constructed by external groups (McGivern *et al.* 2015) and the impact that has on identity.

The degree of control that management accountants exert is partly dependent on their position, but also the concurrent recognition of status within the organisation (Morales & Lambert, 2013) and it is the contribution to the concept of power, which status accords, that is presented next.

Contribution made to the theory of power relations

The concept of power refers to the individuals' or groups' ability to control or influence a given situation (Gee, 2011b). A number of areas within the study have been discussed,

such as the lack of negotiating power or control over review mechanisms, which have contributed to the knowledge and academic debate surrounding the concept. The work builds on earlier iterations (Mork *et al.* 2010), which assert that any change to practice leads to a redefining of the power relations and ways of knowing between the actors. Contributions were also made through the discussion of professional power (Hamilton, 2013). Whilst traditional foundations of knowledge provided a framework (French & Ravens, 1959), for an exploration of the actors' social construction, related to revising the concept in terms of perceived power (Kraus, 2014), as conceptualised by the actors within an organisational setting, with a lack of their voice being apparent.

9.5 Implications for future research

The process of decentralisation that the management accountants experienced has occurred in other service providers, such as Human Resources, Information Technology and Facilities, whereby a member of staff is allocated to service a particular customer, as a technical expert. Thus, there is potential for future research to be expanded to a range of job specialisms and in so doing, develop a wider research base. Similar longitudinal insider-researcher studies could be undertaken within other educational institutions, public sector departments, or within the wider private sector industries, particularly where the finance business partner role has become or is becoming established.

Future research, in seeking to gain a wider understanding the implications of management accounting change, could be of benefit to individual organisations and the wider accounting community. In particular, research that focuses on identifying those factors that differentiate how individuals, at all levels within the community, perceive decentralisation projects in terms of successful and unsuccessful implementation is

recommended. It is important for new research to adopt a multi-perspective investigation, so that a diverse range of thoughts and opinions are furnished. A particular recommended focus is that of professional status and job satisfaction, from which the outcomes can be paralleled to other professional roles.

Following on from CIMA's direction for the business partner role, the necessary associated skills concurrent with this role could benefit from further research, which would provide a greater understanding of the effective 'tools' that can be utilised with the role. Indeed, it was the 'practical relevance' advocated by other researchers (Tucker & Low, 2014) that provided one catalyst for the current research. It is recommended that future academic research retain a practical relevance that seeks to build theoretical understanding of management accounting and the roles of management accountants. Further, given its importance in a change process, one benefit would be for researchers to focus on communication (Van Helden & Northcott, 2010) and its practical relevance.

In recent years, the use of Cultural Historical Activity Theory has increased in popularity, with it providing a theoretical lens for those researchers who wish to understand human activity, particularly from the standpoint of it being socially and contextually intertwined. Thus, it is recommended that when researchers are seeking to understand a particular context within a specific community, that Cultural Historical Activity Theory be adopted as a suitable 'vehicle' with which to conduct the investigation, in that it addresses all levels of activity through a multiple activity systems approach.

9.6 Summary

A qualitative insider researcher approach, using Cultural Historical Activity Theory as a lens, has provided deeper understanding of the implications surrounding the introduction of a finance business partner model into a large UK university. Further understanding is provided of how a change in the management accountant's role has consequences for the identity of the management accountant and how their image and level of activity within an organisation can be reduced or enhanced by the interplay of power relations. This research provides invaluable insight into the consequences of role change on management accountant's perception of their identity. The extent to which the acceptance of the operations management dictate the success or failure of the finance business partner model is examined, providing in-depth understanding of the consequences, not only of the decision to change the role of management accountants, but also the pre-requisites necessary for the implementation of such an approach. Factors have been identified that may hinder or expedite the acceptance of a finance business partner model, with it being evident that the implementation is not straightforward. Senior management in the finance function will need to consider the influence, power and perceptions in understanding the individual management accountants' position with respect to the operational and professional context.

The focus of this research has been to highlight the experience and perceptions of management accountants involved during a change process. The precarious position of management accountants has been shown to be fraught with ambiguity and uncertainty and the effect on individuals, during this change in role, has emerged as an intense and stressful period in their professional lives. Ultimately, this change in role saw management accountants placed in a restricted role that prevented them from fulfilling their true potential and exercising their professional skills and experience. Ultimately, senior management will need to decide whether a finance business partner model

accrues greater benefits than a centralised function. Numerous factors need to be considered that have been highlighted in this research, and which led to the conclusion that the decentralisation of management accountants to the business partner role, failed to amass the desired benefits surrounding effective customer service. On a more personal level, the management accountants' suffered, particularly with respect to social and professional identity and their perceived status within the wider organisation. Yet, despite all the negatives, the consensus amongst the management accountants was that, given the circumstances surrounding role, identity and power, they provided the best professional service that could possibly be given.

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DIRECTED TO MANAGEMENT ACCOUNTANTS

Section 1 Questions to clarify the purpose of the activity system
1 How has your role changed since you started at X University?
2 What problems do you face in carrying out your role?
3 What is the biggest problem? (prioritise the problems)
4 What motivates or demotivates you?
5 Who are your customers?
6 How do you communicate with your customers and how often?
7 What reports do you provide and to whom?
8 Give examples of what processes work well and who is involved
9 How do you view your relationship with the Dean; Pro-Vice Chancellors; Directors?
10 What is your goal as a Management Accountant?
11 What expectations are there of what you do?
12 Who sets and measures your performance?
13 How do you communicate with Central Finance?
14 What issues do you face in your dealings with Central Finance departments?

Section 2 Questions to analyse the activity system
1 Who do you deal with on a regular basis in the course of your job?
2 How do you measure success for your role?
3 What are the implied rules that you follow in undertaking your role?
4 What particular struggles have you faced in undertaking your role?
5 What is the division of labour within the activity?
6 What rewards do you get for successfully completing your job?
7 How does your work community impact on what you do?
8 How mature is the group?   Any staff changes?
9 What is the structure of social interactions surrounding the activity?
10 How might conflicts that originate in other communities affect your
    interactions in your groups?
11 How do you think your role is valued by the faculty or areas you work in?
12 What is the expected outcome of your activity?
13 How do you measure the quality of the information, what factors affect the quality?
14 What criteria is used to determine the viability of the Management Accounting model?

Section 3 Questions to analyse the activity structure
1 How is your work being done in practice?
   (including reporting; discussions; actions)
2 Who does what? (Identify the different parts
   involving month end; reporting; general control).
3 How has your work changed over time?
4 What historical phases have there been over time?
5 What was the nature of the change?
6 What norms, rules and procedures have been documented?
7 What are the problems from your point of view of the process?

Section 4 Questions to analyse mediators
1   What tools do you use in your role?
2   How have the tools changed over time?
3   What methods guide the use of tools?
4   What formal or informal rules guide your activities?
5   What tools do you find (un)helpful in your activity?
6   How have the rules evolved (informal, formal and how have they been communicated?
7   How widely understood are the rules?
8   Who traditionally has assumed the various roles within your activity?
9   How does this affect your work?
10 What forces drive the role changes? How much freedom do individuals have to force others to take on new of different roles within the activity?

Section 5 Questions to Analyse the context
1   What are the differences between the various work groups that you are a member of?
2   What are the particular beliefs of your current work group?
3   How much freedom do you have to enter any particular work group?
4   What limitations are placed on your role and by whom?
5   How are tasks divided or shared among participants? (Who does what? How flexible is the division of labour?)
6   Is there a difference between the implied rules-roles for each member of the group and those that are formally stated?
7   What formal or informal rules, laws, or assumptions guide the activities in which people engage. Have they been explicitly stated?

Section 6 Questions to analyse activity system dynamics
1   How does your role fit into the faculty, pvc areas?
2   How formal or informal are the relationships?
3   Are there contradictions or inconsistencies with the faculty needs and the goals of the Management Accountant's role?
4   How do you view the success of your role?
5   What are the drivers of change?
6   How is such change viewed within your designated area?
7   What factors have driven the formation or workgroups within your areas? What factors have kept these groups together or drove them apart?
8   What would you think about moving back into Central Finance?

DIRECTED TO FACULTY AND SERVICE TEAM DEANS AND DIRECTORS

Section 1 Questions to clarify the purpose of the activity system
1   How do you communicate with finance?
    (inc Finance Director; Management Accountants, Faculty Finance officers and Central Finance staff)).
2   How do you obtain financial information? What form does the information take?
    (inc Finance Director; Management Accountants, faculty finance officers and Central Finance)
3   Do you use the oracle system yourself or do you rely on information
    being presented to you?
4   What reports do you get and from whom? (inc finance or faculty staff)
5   How do you view your relationship with your Management Accountant?
6   What works well and what does not, and why?
7   What problems do you face in relation to obtaining financial information?
8   What is the biggest problem? (prioritise the problems)
9   What are your goals (list financial and non financial goals)
10 What do you expect of your Management Accountant?
    How do you manage the Management Accountant's performance? (formally or informally)

Section 2 Questions to analyse the activity system
1   Who is involved in the faculty finance control.
2   What do you think is the purpose of the finance department?
    (How does it benefit you?)
3   What are the implied roles of staff members in relation to finance?
4   What particular struggles has the faculty group faced to date in order for the
    current organisation to work successfully?
5   What is the division of labour within the activity (who does what)
6   What rewards do you get for successfully completing your job?
7   Do you value the contribution made by the Management Accountant?
8   How might conflicts that originate in other communities affect
    your interactions in your groups?
9   What is it that the Management Accountants produce for you (format reports, ad hoc, also how is it reported?)

Section 3 Questions to analyse the activity structure
1   Who does what? Identify the different parts
    (inc month end, reporting, general control).
2   How has the Management Accounting function changed over time?
3   What historical phases have there been over time?
4   What norms, rules and procedures have been documented?
5   What are the problems from your point of view of the process?
6   How does the finance goal relate to other goals you have?
7   What are the problems from your point of view of the process?
8   What say did you have in the decentralisation of the Management Accountants?

Section 4 Questions to analyse mediators

1   What tools do you use in your role?
2   How have the tools changed over time?
3   What methods guide the use of tools?
4   What formal or informal rules guide your activities?
5   What tools do you find (un)helpful in your activity?
6   How have the rules evolved (informal, formal and how
       have they been communicated?)
7   How widely understood are the rules?
8   Who traditionally has assumed the various roles within
       your activity?
9   How does this affect your work?
10   What forces drive the role changes? How much freedom do individuals
       have to force others to take on new of different roles within the activity?

Section 5 Questions to analyse the context
1   What work groups have a finance department input?
2   How much freedom does the Management Accountant have to join various work
       groups/committees?
4   What limitations are placed on the Management Accountants role and by whom?
5   How are tasks divided or shared among participants?
       Who does what? How flexible is the division of labour?
6   Is there a difference between the implied rules-roles for
       each member of the group and those that are formally stated?
7   What formal or informal rules, laws, or assumptions guide the
       activities in which people engage. Have they been explicitly stated?

Section 6 Questions to analyse activity system dynamics
1   How does the MA role fit into your areas?
2   How formal or informal are the relationships?
3   Are there contradictions or inconsistencies with the faculty needs and
       the goals of the Management Accountant's role
4   How do you view the success of the Management Accountant's role?
5   What are the drivers of change?
6   How is such change viewed within your designated area?
7   What factors have driven the formation or workgroups within your areas.
       What factors have kept these groups together or drove them apart?
8   What would you think about the Management Accountants moving back into central
       finance?

DIRECTED TO CENTRAL FINANCE ACCOUNTANTS AND STAFF

Section 1 Questions to clarify the purpose of the activity system
1   How do you communicate with the faculties and Service Teams?
2   How do you communicate with the Management Accountants?
3   How has your role changed since you started at JMU?
4   What problems do you face in carrying out your role?
5   What is the biggest problem? (prioritise the problems)
6   What motivates or demotivates you?
7   Who are your customers?
8   How do you communicate with your customers and how often?
9   What reports do you provide and to whom?
10 Give examples of what processes work well and who is involved?
    How do you view your relationship with the Deans; Pro Vice Chancellors Directors;
    Management Accountants?
12 What is your goal in your role?
13 What expectations are there of what you do?
14 Who sets and measures the performance?

Section 2 Questions to analyse the activity system
1   Who do you deal with on a regular basis in the course of your job?
2   How do you measure success for your role?
3   What are the implied rules that you follow in undertaking your role?
4   What particular struggles have you faced in undertaking your role?
5   What is the division of labour within the activity?
6   What rewards do you get for successfully completing your job?
7   How does your work community impact on what you do?
8   How mature is the group?   Staff changes?
9   What is the structure of social interactions surrounding the activity?
10 How might conflicts that originate in other communities affect your
    interaction within your groups?
11 How do you think your role is valued by the faculties/services or areas you work in?
12 What is the expected outcome of your activity?
13 How do you measure the quality of the information, what factors affect the quality?
14 What criteria is used to determine the viability of the MA model?
15 What is it that you produce? (Inc month end and ad hoc).

Section 3 Questions to analyse the activity structure
1   How is your work being done in practice?
    (inc reporting; discussions; actions)
2   Who does what? Identify the different parts
    (inc month end; reporting; general control).
3   How has your work changed over time?
4   What historical phases have there been over time?
5   What was the nature of the change?
6   What norms, rules and procedures have been documented?
7   What are the problems from your point of view of the process?

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4   What formal or informal rules guide your activities?
5   What tools do you find (un)helpful in your activity?
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