Aalto University
School of Business

Management Accountant's Modern Role and Barriers to Role Change - Case Tech Inc.

Accounting

Master's thesis

Juha Voipio

2014

Department of Accounting
Aalto University
School of Business

MANAGEMENT ACCOUNTANT'S MODERN ROLE AND BARRIERS TO ROLE CHANGE

Case Tech Inc.

Master's Thesis
Juha Voipio
Spring 2014
Accounting

Approved in the Department of Accounting __ / __20___ and awarded the grade

____

Aalto University
School of Business

Aalto University, P.O. BOX 11000, 00076 AALTO
www.aalto.fi

Abstract of master's thesis

Author Juha Voipio

Title of thesis Management Accountant's Modern Role and Barriers to Role Change – Case Tech Inc.

Degree Master's Degree

Degree programme Accounting

Thesis advisor(s) Juhani Vaivio

Year of approval 2014 **Number of pages** 111 **Language** English

Abstract

This thesis examines whether the so-called modern role of the management accountant exists in practice, and what are the characteristics associated with it. The study also explores the various factors that impact the success of role change projects, focusing especially on the barriers to role change.

The study is qualitative in nature and is based on a field study conducted at the case organization between autumn 2012 and spring 2013. The study focused on the role change project that the case organization's parent had launched in 2008. A total of 15 interviews were held with both business unit finance and operational managers. In addition, case organization's internal documents, memos and other material were used as empirical evidence.

The results suggest that certain characteristics can be associated with the management accountant's modern role, but no exact role description exists or can be accurately defined. Further, a number of barriers to role change were identified impacting the case organization's role transformation program. Consequently, the findings indicate that the program to date has not been successful in reshaping the role of the organization's management accountants.

Thesis, based on the empirical findings, proposes a new multilevel accounting change model that can be used as a theoretical framework for future studies focusing on role change projects. Validity of the proposed framework should be tested in future research projects.

Keywords role change, management accountant, barriers to change, accounting change model

Aalto-yliopisto
Kauppakorkeakoulu

Aalto-yliopisto, PL 11000, 00076 AALTO
www.aalto.fi

Maisterintutkinnon tutkielman tiivistelmä

Tekijä Juha Voipio

Työn nimi Johdon laskentatoimen ammattilaisen moderni rooli ja esteet roolimuutokselle – case Tech Inc.

Tutkinto Maisterin tutkinto

Koulutusohjelma Laskentatoimi

Työn ohjaaja(t) Juhani Vaivio

Hyväksymisvuosi 2014 **Sivumäärä** 111 **Kieli** Englanti

Tiivistelmä

Tämä tutkielma tarkastelee onko niin kutsuttua johdon laskentatoimen ammattilaisen modernia roolia olemassa, ja mitkä avainominaisuudet tähän rooliin yleisimmin liitetään. Tutkimus analysoi myös niitä tekijöitä, jotka määrittävät roolimuutosprojektien onnistumista, keskittyen erityisesti esteisiin roolimuutokselle.

Tutkimus on luonteeltaan laadullinen ja perustuu case-tutkimukseen joka suoritettiin syksyn 2012 ja kevään 2013 välisenä aikana. Case-tutkimus keskittyi tarkastelemaan roolimuutosprojektia, jonka case-organisaatio oli käynnistänyt vuonna 2008. Kaiken kaikkiaan 15 haastattelua suoritettiin organisaation laskentatoimen ammattilaisten sekä liiketoimintayksikköjen johtajien kesken. Lisäksi, tutkimus hyödynsi case-organisaation sisäisiä dokumentteja, muistioita sekä muuta materiaalia empiirisenä todistusaineistona.

Tulokset viittaavat siihen, että johdon laskentatoimen ammattilaisen moderniin rooliin voidaan liittää tiettyjä ominaispiirteitä, mutta tarkkaa roolikuvausta ei ole saatavilla, eikä sitä ole mahdollista tarkkaan määritellä. Lisäksi, case-yrityksessä tunnistettiin lukuisia esteitä roolimuutokselle, jotka vaikuttivat yrityksen ajaman roolimuutosprojektin onnistumiseen.

Näin ollen, tulokset osoittavat, että roolimuutosprojekti ei ole onnistunut vaikuttamaan organisaation laskentatoimen ammattilaisten rooliin tähän mennessä. Tutkielmassa ehdotetaan, empiiriseen todistusaineistoon ja tutkimustuloksiin perustuen, uutta moniulotteista laskentatoimen muutosmallipohjaa, jota voidaan käyttää roolimuutosprojektien analysoimiseen. Ehdotetun muutosmallin toimivuus tulisi varmistaa tulevien tutkimushankkeiden avulla.

Avainsanat roolimuutos, johdon laskentatoimen ammattilainen, esteet muutokselle, laskentatoimen muutosmalli

TABLE OF CONTENTS

1. INTRODUCTION 1
1.1. RESEARCH SCOPE 3
1.2. RESEARCH STRUCTURE 4
2. LITERATURE REVIEW 5
2.1. DEFINITIONS 6
2.2. MANAGEMENT ACCOUNTANT'S TRADITIONAL ROLE 7
CHARACTERISTICS OF THE TRADITIONAL ROLE 8
2.3. MOVE TOWARDS THE MODERN ROLE 12
CHARACTERISTICS OF THE MODERN ROLE 14
2.4. LIMITATIONS 16
2.5. INTRODUCTION OF THE THEORETICAL FRAMEWORK 19
2.5.1. Innes and Mitchell's Accounting Change Model 20
2.5.2. Cobb, Helliar and Innes' Extended Accounting Change Model 21
2.5.3. Kasanen's Revised Accounting Change Model 23
2.6. BARRIERS TO ROLE CHANGE 26
3. RESEARCH METHOD 31
3.1. METHODOLOGY AND METHOD 31
3.2. EXPLANATORY CASE STUDY 32
3.3. INTRODUCING THE CASE STUDY 33
4. EMPIRICAL PART: CASE TECH INC. 35
4.1. TECH INC 36
4.1.1. Tech Inc. and Recent IT Sector Developments 37
4.1.2. Tech Inc.'s Organizational Structure 39
4.1.3. Setting Strategy in Tech Inc. 42
4.1.4. Tech Inc.'s Finance Function 43
4.2. FINANCE'S VISION AND THE TRUSTED ADVISOR PROGRAM 45

4.2.1. Finance's 2008 Vision ... 45
4.2.2. From Trusted Partner to Trusted Advisor ... 47
4.2.3. Finance Operating Model Redesign ... 50
4.3. TECH INC. FINLAND AND THE TRUSTED ADVISOR ROLE ... 51
4.3.1. Tech Inc. Finland's Finance function ... 51
4.3.2. Collaboration with Business ... 59
4.3.1. The Trusted Advisor Program ... 63
4.3.2. Barriers to Becoming a Trusted Advisor ... 69
5. CASE ANALYSIS ... 74
5.1. TECH INC. AND FINANCE'S ROLE ... 75
5.2. KASURINEN'S ACCOUNTING CHANGE MODEL ... 79
5.2.1. Motivators ... 80
5.2.2. Facilitators ... 80
5.2.3. Catalysts ... 81
5.2.4. Momentum ... 82
5.2.5. Leaders ... 82
5.2.6. Potential for Change ... 83
5.3. BARRIERS TO ROLE CHANGE ... 84
5.3.1. Confusers ... 84
5.3.2. Frustrators ... 85
5.3.3. Delayers ... 87
5.4. RE-EVALUATING THE ACCOUNTING CHANGE MODEL ... 88
5.4.1. Multilevel Accounting Change Model ... 89
5.4.1. Change Portfolio ... 93
5.5. SUMMARY OF THESIS' FINDINGS ... 96
6. CONCLUSIONS ... 97
6.1. MAIN RESEARCH FINDINGS ... 97

6.2. RESEARCH LIMITATIONS 100
6.3. RECOMMENDATIONS FOR FUTURE RESEARCH 101
6.4. MANAGERIAL CONSIDERATIONS 101
BIBLIOGRAPHY 103
APPENDICES 109
APPENDIX A: LIST OF INTERVIEWS 109
APPENDIX B: SEMI-STRUCTURED INTERVIEW TEMPLATE, BUSINESS 110
APPENDIX B: SEMI-STRUCTURED INTERVIEW TEMPLATE, FINANCE 111

TABLE OF FIGURES

Figure 1: Innes and Mitchell’s accounting change model (1990). 21
Figure 2: Cobb et al.’s extended accounting change model (sic) (1995). 22
Figure 3: Kasurinen’s revised accounting change model (2002). 25
Figure 4: Tech Inc.'s organizational structure. 41
Figure 5 Multilevel Accounting Change Model... 92

Table 1: Characteristics of management accountant’s traditional role. 11
Table 2: Characteristics of management accountant’s modern role.. 16
Table 3: Summary of barriers to change. 29
Table 4: Summary of advancing change forces at Tech Inc.. 83

Graph 1: Tech Inc.'s change portfolio at the beginning of 2008. 94
Graph 2: Tech Inc.'s change portfolio at the end of 2012. 95

1. INTRODUCTION

Claim by Thomas Johnson and Robert Kaplan that accounting function was no longer providing relevant information to support business decisions and control (1987; see also Kaplan, 1984) sparked widespread discussions about the need for management accounting revolution – both among academics as well as practitioners and business professionals. Calls for change focused largely on managerial practices employed by firms, and consequently the following years saw the introduction of innovations such as activity-based costing and the balanced scorecard. Simultaneously, the study of change in management accounting practices, tools and processes became a prominent research field (see for example Dent, 1991; Burns & Vaivio, 2001; Hopwood, 2008).

As management accounting techniques and systems have increasingly become more business oriented, so have the demands and expectations set for management accounting professionals. The traditional role of management accountants as "beancounters" and "corporate watch dogs" has been questioned by academics (Friedman & Lyne, 1997; Granlund & Lukka, 1997). Consequently, recent managerial and academic discourse has started to explore the concept of a modern role of (management) accounting practitioners. Organizations such as Unilever have reported achieving financial gains and among others increased brand value by redesigning the role of its finance department as increasingly strategic and aligned with business goals (Tarasovich & Lyons, 2009), whereas recent industry reports see chief financial officers moving beyond financials towards strategy formulation and operational matters (Ernst & Young, 2010; IBM Corporation, 2010).

Role change of management accountants – often described as accountants becoming strategic business partners and trusted advisors – has garnered considerable interest in the academic community as of late. Researchers agree on some characteristics of this evolution, such as the need for better communication skills and understanding of organizations' operational side (see for example Granlund & Lukka, 1997; Burns & Baldvinsdottir, 2005; Järvenpää, 2007). Nevertheless, ambiguity remains, particularly around the question what exactly management accountant's modern role consists of. Further, business press reported benefits associated with such role transformations are at odds with issues identified in recent academic case studies. For example, Byrne and Pierce (2007) discovered conflicting views on whether management accountants adopting a more business oriented role had brought benefits to the organization.

Issues arose especially from dysfunctional cooperation between business and financial managers, management accountants' insufficient skills for succeeding in the revised role and business managers' resistance to the increased operational influence of finance managers. Accordingly, academic studies have identified several sources of potential disruptive forces that impact management accounting related change projects (Kasurinen, 2002), emphasizing the need for better understanding of the processes and methods organizations utilize when re-defining and implementing these new professional roles.

As practitioners' as well as academics' interest in modernizing the role of management accountants continues, more research is necessary in order to assist organizations with practical guidance that can be applied in their transformation projects, while providing a more coherent basis for future academic study of the subject. For management accounting students, an up-to-date discussion on expectations and demands set upon contemporary professionals will give insight on relevant skills and characteristics that companies today seek.

The case research, and its accompanying theoretical framework, has two main research questions: First, to understand what exactly is meant by the concept "the modern role of management accountants" by synthesizing the results of current and past empirical studies. Purpose is to provide a basis for future researchers to identify characteristics of the modern, more business oriented role in their research environments. Similarly, providing an overview of the current understanding of the said role will allow the study of its evolution through subsequent research projects. Second, to focus on discovering and classifying possible sources of ambiguity, conflict and issues associated to the role change project led by the case organization. As noted by Kasurinen, change projects in the field of management accounting face several barriers that can lead to sub-optimal outcomes (2002). By applying Kasurinen's framework in the case setting, intention is to explore whether elements previously associated with management accounting process and tool developments, as well as role change projects, can be discovered in the case organization. Resulting typography of barriers to role change seeks to highlight to organizations the kind of issues they should prepare for when launching similar role transformations projects.

Empirical results of the thesis are based on a case study carried out in a Finnish subsidiary of a multinational information technology corporation. This organization is carrying out an ongoing, global change project pursuing to transform the role of its finance personnel – term used within the organization to identify management and financial accounting practitioners –

into that of a trusted advisor. This term encompasses many of the attributes and characteristics associated with modern management accounting professionals in trade and academic journals. Case material comprises of interviews carried out with various business unit managers and their finance counterparts, as well as company-internal material describing the purpose, method and progress of the corporation wide transformation project. While said project is at the time of writing this study still underway, initial results of the multiyear plan have emerged, providing suitable empirical evidence for assessing the success of the progress made thus far and providing guidance for the future of the company's transformation journey.

In addition to examining the main research questions, this thesis contributes to the current academic body of research regarding management accountants' role change by addressing a number of identified limitations in the current field of study. Firstly, while recent years have seen the emergency of case studies on the business partner role of management accountants, call for more research on the subject persists (see for example Byrne & Pierce, 2007; Järvenpää, 2007). Secondly, chosen case company represents an industry and organizational structure not previously subject for studies exploring the increasing business orientation of management accountants. Thirdly, by focusing on business unit level actors, instead of corporate level, the study provides a less considered perspective on implications of the role change (see for example Byrne & Pierce, 2007). Moreover, this study represents the first time Kasurinen's (2002) revised accounting change model will be applied in the role change project context. Intention is to validate the usefulness of this theoretical framework in studies focusing on role change – not accounting systems or practices related – matters.

1.1. RESEARCH SCOPE

Management accounting change has been a rich source for academic inquiries. Studies have touched upon change itself, striving to understand the various sources for management accounting change as well developing theoretical accounts and frameworks for explaining the concept and nature of change itself. In addition, management accounting practices, tools and processes introduced by consultants and academics alike have been studied extensively in the recent years. In order to produce a value adding contribution to this vast theoretical discussion, this thesis focuses on exploring change in management accounting purely from the perspective of the individual, an approach that has not received adequate attention thus far (Järvenpää, 2001). Actors beyond management accountant interviewed and his/her business counterpart are mainly omitted from the research and only briefly discussed when their role

directly affects the transformation project progress, results or cooperation between aforementioned parties.

The concept of the traditional management accountant will be introduced in order to give substance to the evolution identified in the modern business partner role. Nonetheless, discussing the formation of the traditional role is ruled out of the study scope. Similarly, while in the case company itself the transformation project targets both management and financial accounting professionals, research will concentrate largely on management accountants – mainly due to their role having more apparent connections and linkages with business managers.

Finally, through providing a rich empirical account on the transformation project being carried out in the case company, aim is to analyze the findings and provide results that can be considered to be applied in the wider organizational perspective. However, due to the size of the case corporation, empirical research had to be limited to the Finnish subsidiary of the organization. Inherent structural characteristics of the matrix and multinational organization will be discussed from the perspective of the Finnish employee, taking into account the limits and boundaries set upon the local subsidiary by the larger organization, but not extending the research to the outcomes on regional or global level.

1.2. RESEARCH STRUCTURE

This research is structured as follows: first, a theoretical framework for the empirical part of the study will be formulated by introducing and reviewing prior academic research that has focused on the topic of management accounting (role) change, its implications on management accountant's role and case studies conducted of previous role transformation projects. Focus will be on exploring differences between the traditional and modern view of management accountant's role, as well as how organizations are in practice trying to implement this role change. Second, methodology of the empirical part of the study will be introduced, and associated benefits and drawbacks of the chosen study method discussed. Next, the case company and the empirical findings of the study will be presented. Fifth part of the paper will review and analyze these findings in the light of the previously formulated theoretical framework. Sixth and the final chapter of the study is centered on conclusions and recommendations made based on the previous analysis. Since the research is limited in scope, suggestions for possible future research approaches will also be addressed.

2. LITERATURE REVIEW

The second chapter will review recent literature discussing the organizational role of management accountants and development thereof. Themes to be covered include the traditional and modern roles of accountants, definition of (accountants') business orientation, business counterparties perspective and findings from recent case studies exploring related role change projects. Also, the final subchapters will present the theoretical framework to be applied in the thesis.

Subchapters 2 and 3 respectively, will focus on the traditional and modern roles of management accountants. Academic studies have associated various characteristics and attributes to management accountants, but have yet to arrive at comprehensive or consistent role definitions (Byrne & Pierce, 2007). Literature review's purpose in these subchapters is to formulate a contemporary definition of a business oriented management accountant, thus answering one of the thesis's main research questions. In addition to academic papers, managerial and professional sources will also be reviewed as their role in setting normative role expectations for management accountants is seen as significant (Burns & Vaivio, 2001; Vaivio & Kokko, 2006).

Next, limitations of the reviewed academic literature surrounding role change will be presented in subchapter 4. Purpose of the chapter is to highlight the theoretical contributions this thesis aims to add to the currently existing role change literature.

Theoretical framework for the thesis will be presented in subchapter 5. Richness of the recent empirical research regarding evolution of management accountants' role has also contributed to the fragmentation and, at times, contradictory nature of research findings and designs (Byrne & Pierce, 2007). This study will adopt the revised management accounting change model by Kasurinen (2002) that builts upon the initial work by Innes and Mitchell (1990) and Cobb, Helliar & Innes (1995). The model, which will be presented in depth at the end of the chapter, will be used to categorize, analyze and explain the observed factors influencing the role transformation project followed in the case organization.

Finally, subchapter 6 summarizes change influencing factors reported by previous researchers by using the terminology of the Kasurinen (2002) model. This overview serves as the basis for distinguishing differences and similarities in the case settings when compared to earlier studies. As per the second main research question of the thesis, specific focus will be on

barriers to change. Assumption is that due to contemporary environmental, organizational and political circumstances, formal change management will become increasingly difficult and more emphasis should be placed on understanding informal and random influences (Burns & Vaivio, 2001).

First, however, the next subchapter will provide definitions of the key terms used in the study. Nomenclature referring to management accountants' roles has been rich and varied. Considering that the perspective of the thesis is principally that of management accounting, following definitions are needed to assist with comprehending the discussion of the next chapters.

2.1. DEFINITIONS

Assessing the environment in which today's management accounting research exists, Hopwood (2008) notes that the term "management accountant" is by nature vague: for example in the US, the title might refer to a person outside of the accounting profession altogether. In contrast, many European countries lack a term for management accountant and instead, several professional titles have risen to refer to employees responsible for management accounting tasks. For the avoidance of doubt, management accountant in the scope of this research refers to:

> *A person with a financial/accounting background, often but not exclusively part of the organization's finance/accounting department, who by definition of role supports an identifiable business or operational partner or partners. Interchangeable, within limits, with terms "accountant", "(business) controller", "finance manager" and "CFO".*

By contrast, when explicitly referred to, "financial accountant" is hereby defined as:

> *A person with a financial/accounting background, often but not exclusively part of the organization's finance/accounting department, who by definition of role lacks a clear business counterpart and places more emphasis on financial accounting related tasks.*

Above separation also relates to the functional design of the finance department found in the case company, which will be described in detail in the empirical section of the thesis. Briefly put, while management accountants in general can be responsible for a wide variety of tasks, in the case organization separation between management and financial accountants relates directly to the amount of routine and statutory reporting tasks individuals are tasked with.

Finally, in order to distinguish between management accountant's traditional and modern role, following terms, among others, are used to signify this new role:

“Modern role”, “business oriented role”, “trusted advisor role” and “strategic partner role” (see for example Granlund & Lukka, 1998; Siegel & Sorensen, 1999; Järvenpää, 2007).

Next subchapter will now focus on reviewing the academic literature regarding the traditional role of management accountants, as described by academic and managerial literature and professional publications.

2.2. MANAGEMENT ACCOUNTANT’S TRADITIONAL ROLE

The study of management accountants’ traditional role has customarily been founded on the work of Simon, Kozmetsky, Guetzkow and Tyndall. In their influential book (1954, pp. 22-39), the authors suggested three separate roles for accountants: score-keeping, attention-directing and problem-solving. These role distinctions were based on the fashion how provided management accounting information was used by managers on different levels of the organization. Routine financial data could be used as a business unit performance measurement, leading to the score-keeping role. Or, same information could highlight an issue with production volumes, resulting in the attention-directing function. Finally, managers might ask for customized management accounting information to assist with solving a business issue. Provision of this data gave rise to the problem-solver accountant. Accordingly, Simon et al. (1954, p. 22) argued that by understanding the information needs of their business counterparties management accountants could influence their role in the organization.

Similarly, Hopper (1980) proposed two archetypes of management accountants: book-keepers and service-aid accountants. By merging the characteristics of Simon et al.’s (1954) book-keeping and attention-directing roles, Hopper defined book-keeper as the administrator of financial systems and enabler of performance measurement and organizational control through distribution of management accounting information. In book-keeper capacity, interaction with operational management was not seen as a high priority (Hopper, 1980). In contrast, service-oriented management accountants had a strong provider-client relationship with their non-accounting counterparties, and focused on solving their management accounting information needs, comparable to Simon et al.’s (1954) problem-solving role (Hopper, 1980).

Several researchers (see for example Mouritsen, 1996; Järvenpää, 2001; Lambert & Sponem, 2012) have referenced the role descriptions of Simon et al. (1954) and Hopper (1980) in their studies focusing on role of management accountants: by way of empiricial evidence, they

have sought to describe the contemporary management accountant by placing him/her along the book-keeper-service-aid role spectrum. Clearly defined responsiblities and importance placed on the production of monthly accounting reports have been associated with the book-keeper or score-keeping stereotype (Friedman & Lyne, 1997; Byrne & Pierce, 2007), whereas management accountants that employ a more consultative approach towards their manager-clients and empahsize assisting them with business decisions have been perceived to represent the service-aid or problem-solving role (Mouritsen, 1996; Granlund & Lukka, 1998).

Academic literature has concluded that the book-keeper model, which prioritizes the production of periodic financial measures, best illustrates the traditional role of management accountants in organizations. Although field studies and surveys have reported a wide variety of tasks being performed by accountants, routine reporting and performance measurement activities have insofar outweighted the time spent on problem-solving type of assistance (see for example Simon et al., 1954; Hopper, 1980; Newman, Smart & Vertinsky, 1989; Mouritsen, 1996). Professional and managerial publications have supported the academic opinion, stating that management accountants have been valued not for their ability to advice or interpret, but to create budgets and calculate costs (Siegel & Sorensen, 1999; Parker, 2002).

Additionally, studies show that management accountants representing the book-keeper archetype have been described with a number of labels: “watchdog” (see for example Granlund & Lukka, 1998), “number cruncher” (see for example Vaivio & Kokko, 2006; Byrne & Pierce, 2007), “bean counter” (see for example Burns & Baldvinsdottir, 2005; Järvenpää, 2007) and even “corporate police” (Yazdifar & Tsamenyi, 2005). These negatively value-laden terms have originated from business and operational managers’ comments describing management accountants and their contribution to their organizations. Next subsection will thus explore more in detail the activities performed and characteristics linked to these so-called traditional management accountants.

CHARACTERISTICS OF THE TRADITIONAL ROLE

Management accountants representing the traditional role are primarily characterized as being providers of information: emphasis is on the preparation of consolidated periodic reports, in spite of “…any better idea of the purpose they are used in the end” (Granlund & Lukka, 1997, p. 245). Endorsing the view, Friedman and Lyne (1997) note that accountants part of their case study – consequently dubbed as bean counters – were perceived to be preoccupied with the production of financial information with little regard or understanding of the operational

factors behind the numbers. Johnson and Kaplan (1987, p. 262), while presenting their views on the failure of past management accounting systems, suggest that these systems were largely designed to satisfy the information needs of accountants, not those of operational management. Specific activities pertaining to the information provision domain are statutory and month end reporting tasks, budgeting and transaction-related obligations (Siegel & Sorensen, 1999; Burns & Baldvinsdottir, 2005). Primary content of this information is described as historical and backward-looking (Siegel & Sorensen, 1999; Ma & Tayles, 2009).

The focus on the act of supply highlights another important facet associated with the book-keeper stereotype: information is produced, but not understood in an operational context nor used in supporting decision making and problem solving processes by the management accountants (Burns & Baldvinsdottir, 2005; Ma & Tayles, 2009). Consequently, this can lead to business and operational managers considering the management accounting information as of little relevance to them (Pierce & O'Dea, 2003; Lambert & Sponem, 2012). Irrelevance of accounting information has been linked to several root causes: management accountants' poor knowledge of the business (Järvenpää, 2001), capabilities of the tools and practices in use in the organization (Johnson & Kaplan, 1987; Friedman & Lyne, 1997) and conflicting expectations set for provided data between accountants and their business counterparties (Ma & Tayles, 2009).

Another important aspect of the bean counter role is the control perspective, closely intertwined with information provision. Responsibilities such as the objective evaluation of business initiatives (Ahrens, 1997) and variance analysis based on monthly financial reports (Granlund & Lukka, 1997) in effect place management accountants outside of the business functions and give rise to labels such as "watchdog" (see for example Granlund & Lukka, 1997; Granlund & Lukka, 1998) and "corporate police" (Yazdifar & Tsamenyi, 2005). While business managers appreciate the need for such monitoring activities (Byrne & Pierce, 2007), excessive amount of time spent on administrative and routine activities distance management accountants from operational topics, further strenghtening the book-keeper archetype (Granlund & Lukka, 1997; Byrne & Pierce, 2007; Graham, Davey-Evans & Toon, 2012).

Institutionalized factors increase the information provision and control emphasis of management accounting: recent regulatory initiatives have increased the compliance aspects of the management accounting function as well as burden of administrative tasks. In particular, the influence of Sarbanes–Oxley (SOX) law enacted in 2002 was reported to

increase the control orientation of management accountants (Byrne & Pierce, 2007; Clinton & White, 2012). Similarly, the founding of professional management accounting institutes such as (see for example Chartered Institute of Management Accountants & the Association of Accountants and Financial Professional in Business) and overseeing the training and formalization of accounting practices has led to the specialization of management accounting practice (Burchell, Clubb, Hopwood, Hughes & Nahapiet, 1980). Instead of focusing on the needs of the user, book-keeper type accountants stress the technical validity and compliancy to rules and procedures when preparing reports (Ahrens, 1997; Pierce & O'Dea, 2003).

From a relationship point of view, the traditional role highlights the independent nature of management accountants. Book-keepers and bean counters often work in highly centralized accounting functions, where most of the communication takes place within the function (Granlund & Lukka, 1997) and separation between accounting and operations is apparent (Ahrens, 1996). Hopper (1980; see also Lambert & Sponem, 2012) reported that centralized organizational structure, where management accountants were working as an individual function, obstructed them from fulfilling managerial information needs effectively. Limited amount of interaction with other functions promotes the objectivity of management accountants, but hinders their capability to act in advisory and consultative roles (Ahrens, 1997; Lambert & Sponem, 2012).

Business and operational managers also bare responsibility in the supposed separation between the traditional management accounting function and the rest of the organization. Bean counters' involvement in operational discussions has been perceived as non-value-adding, at worst detrimental to progress (Friedman & Lyne, 1997; Järvenpää, 2007). Where book-keepers' value-add to decision making has been seen as debatable, some managers have even reported intentionally excluding management accountants in order to stop them from interfering in operational matters (Friedman & Lyne, 1997; Byrne & Pierce, 2007).

Finally, certain personality traits are identified to support the book-keeper orientation: thoroughness, appreciation of structure, strength of character, and being methodical and conservative (Vaivio & Kokko, 2006; Byrne & Pierce, 2007). Similarly, possession of certain professional skills is readily associated to the bean counter stereotype. These include strong technical accounting knowhow (Byrne & Pierce, 2007) and analytical skills (Järvenpää, 2001). In contrast, beancounter management accountants receive criticism for poor

communication and interpersonal skills (Chenhall & Langfield-Smith, 1998) as well as for their ability to present and sell opinions to other managers (Järvenpää, 2007).

Summary of the main characteristics of the traditional role of management accountants as identified in the academic literature is given in **Table 1**.

Perspective	Management accountant's traditional role	Example
Commercial/business awareness	Poor	Pierce & O'Dea, 2003
Understanding of partner's needs	Poor, different priorities between management accountant and business/operational manager	Chenhall & Langfield-Smith, 1998
Nature of management accounting tasks	Routine, statutory, standard	Burns & Baldvinsdottir, 2005
Personal characteristics	Thorough, methodical	Vaivio & Kokko, 2006
Professional skills emphasized	Technical, analytical	Järvenpää, 2007
Nature of provided information	Historical	Ma & Tayles, 2009
Contextual factors	Centralized function	Hopper, 1980
Relationship with other functions	Clear boundaries, independent	Ahrens, 1996
Terminology	Bean counter, book-keeper, watchdog, corporate police	

Table 1: Characteristics of management accountant's traditional role.

In conclusion, the bean counter role can been seen to closely resemble that of a financial accountant (Pierce & O'Dea, 2003), with prominence placed on the reporting, control and compliancy aspects of the accounting function (Byrne & Pierce, 2007). Academic and managerial literature has consequently identified a modern, more business oriented role for management accountants. Thus, the next subchapter will explore how the purported move

from the traditional to modern role has transpired, followed by a discussion on the characteristics of the contemporary management accountant role.

2.3. MOVE TOWARDS THE MODERN ROLE

Management accountant's modern role is customarily defined as being business oriented, an internal consultant of sorts (Burns & Vaivio, 2001). This view, founded upon the problem-solving paradigm by Simon et al. (1954), stresses the importance of the management accountant-business counterpart relationship and fulfilment of the information needs of other functions (Burns & Baldvinsdottir, 2005). As such, its emergence bases primarily on developments that have led management accountants to become more in tuned with operational topics and capable of providing customized and strategic support for organizations (Baldvinsdottir, Burns, Norreklit & Scapens, 2009; Ma & Tayles, 2009).

Collecting and communicating financial data has been seen as management accountants' source of comparative advantage in organizations (Kaplan, 1984). When arguments that management accounting systems were no longer providing business relevant information surfaced (see Johnson & Kaplan, 1987), interest among academics and professionals turned towards innovations in the domain of accounting tools and practices. While modern accounting techniques such as activity-based accounting have been connected with the production of more business oriented information (Friedman & Lyne, 1997; Järvenpää, 2007), technical developments have supported management accountants' move to the modern role from an alternative perspective as well: automation of routine accounting tasks made possible by information systems system development has freed management accountants' time for "higher analytical level" of activities (Byrne & Pierce, 2007; see also Järvenpää, 2007).

Organizational and contextual factors such as increased market competition, changes in strategy, complexity of operations and transitions of the structure of operations impact the role expectations set for management accountants (Burns & Baldvinsdottir, 2005; Byrne & Pierce, 2007). For example, Järvenpää (2001) argues that today's global competition and new customer needs have facilitated the move towards business oriented role for management accountants due to changed organizational priorities. Similarly, re-emergent focus on cost competitiveness has strengthened management accountants' organizational importance through their expertise in cost control analysis (Byrne & Pierce, 2007).

Related topic is the recent trend of accounting function's decentralization, which has brought management accountants closer to operations and increasingly into cross-functional teams (Granlund & Lukka, 1998; Järvenpää, 2007). Burns and Baldvinsdottir (2005) discovered that the creation of product stream specific cross-functional teams improved cooperation and level of interaction between management accountants and their business counterparties. Especially physical proximity to business helps accountants better understand the information needs of other functions (Pierce & O'Dea, 2003).

Technological innovations and decentralization of accounting have made the accounting craft itself no longer the sole responsibility of management accountants. Instead, business managers increasingly take advantage of enterprise resource planning systems to perform management accounting tasks such as budgeting (Burns & Vaivio, 2001). Furthermore, Herbert and Seal (2012) observe in their case study that with the help of shared services tower project managers can manage most of management accounting tasks without the assistance of the accounting function. Outsourcing of services has also been linked to support management accounting change (Smith, Morris & Ezzamel, 2005). As Burns and Vaivio point out, "management accounting is becoming a dispersed knowledge within the organization" (2001; see also Hopper, 2008).

As management accountants face the risk of increasing internal competition in terms of their services, evolution towards the modern, business oriented role can be seen as a potential answer to this problem of remaining relevant (Hopper, 2008). Professional bodies have made several commentaries in the recent years urging management accountants to take on more managerial responsibilities (see for example Parker, 2002; Siegel & Sorensen, 1999; 2003; Clinton & White, 2012). Further, professional as well as academic teaching has (and is called upon to) evolved towards a more business oriented approach, impacting the knowledge base of future accounting professionals (Burns & Vaivio, 2001; Burns, Hopper & Yazdifar, 2004; Hopper, 2008). Accordingly, recruitment, training and career planning have also received support as tools that promote the role change of management accountants (Järvenpää, 2007; Goretzki, Strauss & Weber, 2013).

After this brief summary on main trends behind the move towards business oriented management accountants identified in literature, this thesis will next examine the characteristics defining the modern management accountant.

CHARACTERISTICS OF THE MODERN ROLE

Management accountant's modern role has been characterized with greater emphasis on service, in contrast to information, provision. This can be perceived in the many terms literature has used to describe the contemporary accountant: "business analyst" (Baldvinsdottir et al., 2009), "business oriented role" of management accountants (Burns & Baldvinsdottir, 2005), "business controller" and "business partner" (Järvenpää, 2001; 2007), "change agent" (Granlund & Lukka, 1997) "internal consultant" (Mouritsen, 1996) and even "co-pilot" (Lambert & Sponem, 2012) among others. These titles represent a fundamental shift from book-keeper and attention-directing roles to the problem-solving stereotype (Simon et al., 1954).

Business oriented management accountants focus on the use of business information, in contrast to the provision of financial information associated with the traditional role (Burns & Baldvinsdottir, 2005). Management accountants' actively participate in strategic decision making (Lambert & Sponem, 2012) and importance is placed on operational issues instead of purely those of financial or accounting nature (Granlund & Lukka, 1997). Temporal orientation of management accountants positions to the present and future, instead of emphasizing past and historical information (Granlund & Lukka, 1998; Järvenpää, 2007), demanding greater flexibility and timeliness from management accountants (Pierce & O'Dea, 2003).

In order to be able to act as business partners and internal consultants, modern management accountants need to understand the commercial and operational realities behind the accounting information. More frequent interaction with operational functions assists accountants to gain tacit knowledge linking operational practices to management accounting information (Goretzki et al., 2013). Management accountants are increasingly working in cross-functional teams serving their internal clients, outside of the traditional, centralized accounting department. Business and operational managers report improved relevance of accounting information and better decision making support as a result of closer collaboration with business oriented management accountants (see for example Burns & Baldvinsdottir, 2005; Byrne & Pierce, 2007).

Business oriented accountants' cooperation with other functions underlines the importance of interpersonal and social skills. Team and communication know-how as well as flexibility promote interaction between management accountants and their internal clients (Byrne &

Pierce, 2007). Ahrens (1996) comments how commercial awareness coupled with communication skills assist management accountants to mobilize their accounting information in the operational context and impact decision making. Cross-functional, personalized and informal communication styles are promoted (Granlund & Lukka, 1998). Finally, managers also expect improvements in how information is presented and formatted, moving from financial minute details towards the big picture that is relevant for steering business (Pierce & O'Dea, 2003).

In accordance to the business orientation, operational and business managers' expectations for management accountants became an important role influencer. Chenhall and Langfield-Smith (1998) conclude that alignment between managers and management accountants regarding accounting's role in the organization is needed for accountants to be able to provide relevant support for change initiatives. Mouritsen (1996) remarks that accounting function's role is constructed in interaction between accountants and users of their services. The modern role of management accountant hence is codependent on their internal clients' understanding of their needs and demands. For example, higher manager participation rate in designing management accounting reporting has been linked to higher manager satisfaction regarding the accounting information received (Pierce & O'Dea, 2003).

Byrne and Pierce (2007) argue that the responsibilities set for the service role of management accountants are not clearly defined, giving room for personal interpretations of the role itself. That is, management accountants' personality and personal preferences are a substantial influencer on the characteristics associated to the role. Accordingly, as management accountant is defined as a service provider to his/her counterparties, defined tasks are replaced by contextual considerations about how to best support business and operational discussions. Scope of accountants' responsibilities is thus expanded (Granlund & Lukka, 1998).

Overview of the main characteristics of the modern role of management accountants as identified by academic literature is presented in **Table 2**.

As a summary, technical accounting expertise alone is no longer seen as sufficient for management accountants to be able to operate in the modern environment prioritizing partnership between accounting and business (Burns & Baldvinsdottir, 2005). In lieu of the structured, techinal role of the past (Byrne & Pierce, 2007), business oriented management accountants are expected to master a range of soft-skills and possess a strong commercial

awareness (Granlund & Lukka, 1998; Burns & Baldvinsdottir, 2005). However, the role change described faces challenges and even the extend of its realization has been questioned. Therefore, this thesis will next discuss the limitations identified in the academic research regarding the changing roles of management accountants.

Perspective	Management accountant's modern role	Example
Commercial/business awareness	Good	Pierce & O'Dea, 2003
Understanding of partner's needs	Good, priorities aligned with counterparties	Chenhall & Langfield-Smith, 1998
Nature of management accounting tasks	Customized, ad hoc, based on needs	Burns & Baldvinsdottir, 2005
Personal characteristics	Flexible, team player	Vaivio & Kokko, 2006
Professional skills emphasized	Good communicator, advisor	Järvenpää, 2007
Nature of provided information	Strategic, forward-looking	Ma & Tayles, 2009
Contextual factors	Decentralized function	Hopper, 1980
Relationship with other functions	Member of a cross-functional team	Ahrens, 1996
Terminology	Business oriented, business partner, internal consultant, co-pilot	

Table 2: Characteristics of management accountant's modern role.

2.4. LIMITATIONS

The proposed development of management accountants from book-keepers into service-providers has garnered ample academic interest, but the descriptive power of the existing literature still faces serious challenges. Studies so far have produced inconclusive results regarding the existence of business oriented management accountants (see for example Byrne & Pierce, 2007; De Loo, Verstegen & Swagerman, 2011; Lambert & Sponem, 2012).

Disregarding empirical findings, professional and managerial sources nonetheless root for the business oriented role, suggesting a normative approach: management account has to change in order to remain relevant (Granlund & Lukka, 1998). Additional research is needed in order to determine whether business oriented management accountants can be identified in contemporary empirical settings.

It has been pointed out that scarcity of research focusing on the perspective of the individual has been a notable limitation of academic research. Instead, majority of research has fixated on technical aspects of the accounting practice (Järvenpää, 2001). Consequently, the role change theory development has, evidently, remained rather underdeveloped in the field (Järvenpää, 2007). Byrne and Pierce (2007) argue that fractured research on role change has contributed to the limited theory development. This thesis contributes to theory by applying a structured accounting change model in the role change study. The framework will be presented in the next subchapter.

Another important drawback of past studies relates to the assumed linear nature of change: an individual moves from a traditional role into a modern role and thus, the change project is completed. However, change seldom advances in a straight line (Vaivio, 1999). De Loo et al. (2011) argue that the business orientation of management accountants in the Netherlands has actually taken a step back between 2004 and 2007 due to re-emerging focus on risk management. Graham et al. (2012) note that instead of a transformation, evidence from the UK point out to an enlargement of the role of local controllers: managerial practices are only supplementary to the more traditional responsibilities. A recent consultancy report (Ernst & Young, 2010, p. 10) states that the recent global financial crisis has shifted CFO’s priorities perceptively form strategic matters back to fundamental accounting activities such as cash and cost management.

The non-linear nature of change is connected with the external and internal factors impacting role transformations. Ahrens (1996; 1997) discovered national differences in the role of management accountants between the UK and Germany – former were more business oriented, while latter conformed to the book-keeper model. Friedman and Lyne (1997) reported a change in the business orientation of management accountants after the implementation of activity-based accounting techniques. De Loo et al. (2011) concluded that the business orientation of examined management accountants changed after the financial crisis impacted organizations’ strategies. A general agreement within the role literature exists

regarding the antecedents of business orientation (Burns & Baldvinsdottir, 2005), but formal research on their exact nature thus far has been limited (Byrne & Pierce, 2007). Especially study on factors demoting business orientation remains an unexplored academic domain.

In order to reconcile the differences between the consulting and reporting domains of management accounting, it has been suggested that modern accounting professionals can take up the role of a “hybrid accountant”: in essence, adopting elements from both the traditional and business oriented roles (Burns & Baldvinsdottir, 2005; Lambert & Sponem, 2012). However, Byrne and Pierce (2007) argue that accountants are intrinsically oriented towards either end of the spectrum, incapable of successfully combining the conflicting role expectations. Some organizations have separated management accounting into two separate functions: one overseeing the service provision and the other accounting tasks (Byrne & Pierce, 2007; De Loo et al., 2011).

Broad role definitions such as the modern role are always significant abstractions. As Vaivio and Kokko (2006) remark, titles such as bean counter or business partner are theoretical constructs that cannot capture the full depth of details and characteristics relating to management accountant’s role. Correspondingly, several broader typologies have been suggested (see for example Mouritsen, 1996; Lambert & Sponem, 2012), relying on a larger number of role descriptions. However, as most academic studies have adopted the book-keeper-service-provider dichotomy, this thesis will apply the same theoretical assumption. Rather than seeking to explain in minute detail the role of management accountants observed in the case organization, goal is to examine whether similarities between the academic literature and empirical findings are found. Main theoretical contribution of the thesis is the focus on barriers of change. While failures in change projects in general have been researched (see for example Kasurinen, 2002), academic research has not emphasized this aspect in terms of role change projects. Case and survey studies have examined the perceived characteristic of management accountants and why these have developed, not sought out reasons for possible role change project failures. And where barriers have been identified, they have received little focus. Overview of barriers mentioned in past studies will be presented in subchapter 6.

As a conclusion, studying role change faces several ambiguities. Roles are non-linear and can change disruptively over time back and forth between several roles. In addition, broad role definitions make it difficult to provide conclusive descriptions of these roles. Past research has produced conflicting results regarding the current business orientation of management

accountants, bringing forth the question whether business orientation is mainly a normative construct. This thesis will examine, whether characteristics of service-provider accountants can be discovered in the case organization. Following subchapter will present the theoretical framework, which will be used to describe and analyze the research findings.

2.5. INTRODUCTION OF THE THEORETICAL FRAMEWORK

Study on management accounting change has proliferated in recent years. This has led to the espousal of numerous research settings, methods and perspectives. Burns and Vaivio (2001) suggest a trichotomy identifying three distinct viewpoints for change: the epistemological nature of change, logic of change and management of change. Whereas epistemology, rooted in philosophy, studies meaning, origin and scope of change, the latter two perspectives aspire to answering more managerially underpinned questions: what processes and factors create change and how organizations manage these processes.

This thesis adopts the logic and management of change perspectives proposed by Burns and Vaivio (2001). That is to say, the role transformation process taking place at the case company is seen as a pre-meditated and formal project, which is simultaneously influenced by unexpected and informal elements. Case study's purpose is to understand how the organization manages the overall change project and what kind of – intended and unintended – consequences the project has on the organization, management accountants and their business counterparties. Thus, this research can also be described as a factors study, since it is focused on identifying and understanding the factors having an effect on the success of the change project, although acknowledging the potential issue of discovering seemingly unlimited number of such factors (Malmi, 1997).

For presenting and structurally analyzing the empirical findings of the case, and negating the above issue associated with factors studies, this thesis will employ Kasurinen's (2002) accounting change model, which is focused on explaining the forces enabling and specifically preventing change. This model is based on the previous work of Innes and Mitchell (1990) and Cobb, Helliar and Innes (1995) and allows for a categorization of case findings. Accordingly, next subchapters will first introduce these earlier change frameworks prior to describing Kasurinen's model.

2.5.1. Innes and Mitchell's Accounting Change Model

Innes and Mitchell (1990) noted that while academic research had confirmed a change of accounting practices taking place in organizations, past studies had insufficient explanatory power regarding the origins, mechanics and consequences of chance. Although contingency theory – interpreting change as a result of a set of contextual characteristics – was seen to provide some insight into questions such as why and how, it was nonetheless seen to have limits of its own: the model relied excessively on environment and technology as being the contingent factors that explain accounting change (Otley, 1980) and assumptions behind the theory were too static, unfit to describe heterogeneous nature of accounting change (Hopwood, 1983). Understanding of the factors behind accounting change was perceived to be incomplete (Hopwood, 1983; Innes & Mitchell, 1990).

By carrying out field studies in seven Scottish firms operating in the electronics industry, Innes and Mitchell (1990) produced a threefold model portraying the forces that lead to management accounting change in organizations. The three groups of factors differ both temporally and in nature, and are named:

1) Motivators
2) Catalysts
3) Facilitators

Motivators provide an overall rationale for accounting change. For example, a change in an industry's competitiveness can encourage firms to seek change in their management accounting practices in order to compete more efficiently. From a duration perspective, motivators are long-term, existing conditions that temporally can extend beyond the completion of the change project.

Catalysts, on the other hand, are factors that are closely linked to actual changes. They are less general in nature and require more immediate response from organizations. Loss of market share, resulting from an increased competition in the market, was one such catalyst identified by the researchers.

Finally, facilitators are the enablers of change. While not sufficient by themselves, they are conditions that are needed to support the demand for change. For example, although increased competition and ensuing loss of market share can create a need for management accounting

change, facilitators such as sufficient resourcing and management approval for action are required to initiate a change project. (Innes & Mitchell, 1990)

Figure 1 provides an overview of the change model by Innes and Mitchell (1990).

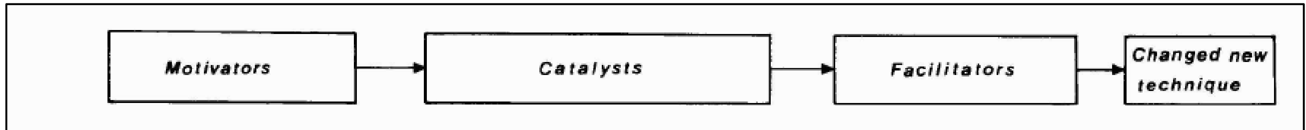


Figure 1: Innes and Mitchell's accounting change model (1990).

The resulting accounting change model expanded upon the contingent factors previously identified in contingency theory by introduction a set new change factors and provided a systematic framework for analyzing change in management accounting practices. Furthermore, catalysts and facilitators in view of their "differing role and temporal relationship to specific changes" were seen to strengthen the descriptive depth offered by the change model when compared to the static nature of the traditional contingency theory (Innes & Mitchell, 1990).

Yet, Innes and Mitchell's change model has received criticisms. First of all, for neglecting the subjective and cultural perspectives. The framework does not take into account actors', including management accountants', capacity to influence change. Instead of exploring how and by whom the change is accomplished, the model focuses on describing a posteriori factors that explain why change has occurred (Llewellyn, 1993). Cobb et al. (1995) also note that Innes and Mitchell's model focuses on external factors' role in change processes at the expense of being able to adequately explain how change occurs within organizations. Finally, the model assumes normatively that change will transpire, disregarding forces working against it.

2.5.2. Cobb, Helliar and Innes' Extended Accounting Change Model

Cobb et al.'s (1995) longitudinal case study intended to address the theoretical shortcomings associated with Innes and Mitchell's model. They observed over a 4-year period the evolution of the management accounting system of a multinational bank's United Kingdom based division. By adopting the central assumption that failure of change initiatives is normal in organizations, the researchers made several additions to the preceding management

accounting change model: concepts of barriers, potential as well as momentum for change and finally, leaders, were introduced.

Barriers are "…factors which hinder, delay and even prevent change" (Cobb et al., 1995, p. 172). As a stark contrast to Innes and Mitchell's (1990) model, it was now perceived that management accounting change initiated through the interplay of motivators, catalysts and facilitators could be negated by the influence of barriers. Examples of such factors discovered by the authors include employees' attitude towards change, personnel turnover and changing priorities between change initiatives.

Potential for change refers to – and is achieved through – the combination of motivators, catalysts and facilitators. While the nature of these individual sets of factors remains as described by Innes and Mitchell (1990), due to introduction of barriers realization of change is longer considered certain. Instead, potential for change needs to be supported by leaders and momentum in order to lead to concrete change (Cobb et al., 1995).

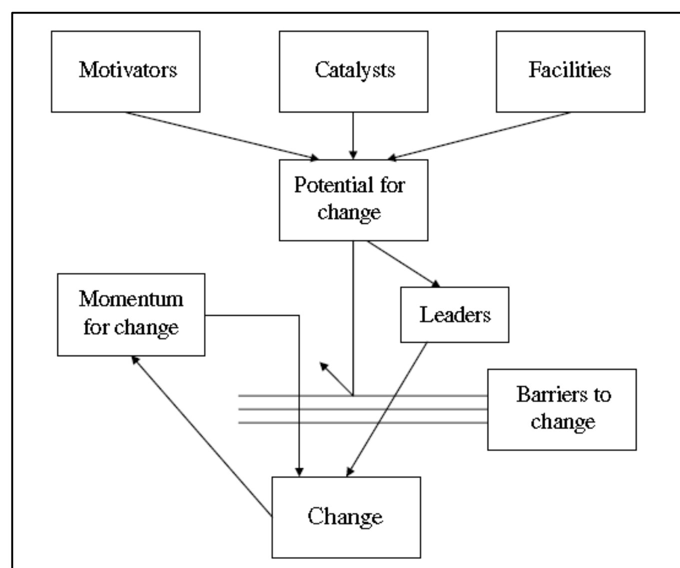


Figure 2: Cobb et al.'s extended accounting change model (sic) (1995).

Momentum for change is shorthand for the organizational expectation and belief in the continuation of change (Cobb et al., 1995). In other words, perceived credibility of change initiatives creates momentum that in turn drives the process forward. Correspondingly, leaders – individuals supporting and supportive of change processes – are identified as a change advancing force. Momentum combined with leader-level actions is factors required to negate

barriers for change. Further emphasis on individuals' role is introduced by explicitly indicating them as potential catalysts – that is, initiators – of change.

Figure 2 presents the extended accounting change model by Cobbs et al. (1995).

Cobb et al.'s (1995) main contribution to modeling management accounting change has been the elision of both change advancing and hindering forces in the same framework. However, grouping barriers to change in the model under a single category has raised concerns of its deficient level of detail in terms of interpreting these sources of resistance. Further subcategorizing identified barriers is suggested to facilitate explaining the change context in greater depth (Kasurinen, 2002).

Referring to the view that change is likely to become an increasingly unsystematic process due to influence by, among others, unforeseen developments and political agenda (Burns & Vaivio, 2001), Kasurinen (2002) argues that in such circumstances preordained, normative change programs and strategies lose effectiveness. Alternately, a more general assessment of the change context prior to change implementations will better assist organizations to succeed with such initiatives. Appropriately, Kasurinen's longitudinal case study (2002) attempted to revise the accounting change model by considering focusing on the above highlighted improvement areas.

2.5.3. Kasanen's Revised Accounting Change Model

Kasanen's (2002) main research objective was to further define and expand the specification of different barriers to change. This objective was, as illustrated previously, based on the assumption that change is becoming an increasingly unsystematic process, leading to a greater variety of potential barriers. The author carried out a longitudinal case study of a strategic business unit of a Finnish metals group. By examining the group's balance scorecard implementation project and reviewing previous academic literature depicting barriers associated with management accounting change projects (see for example Argyris & Kaplan, 1994; Strebel, 1996), Kasanen offered three subcategories for barriers to change:

1) Confusers
2) Frustrators
3) Delayers

Confusers, as the name implies, are a source of confusion and disruption among individuals part of the change implementation. For example, conflicting project goals between organizational levels and uncertainty of the implementation processes' priority can lead employees to question the overall purpose of the change, hindering progress (Kasurinen, 2002).

Frustrators, in contrast, are factors that deliberately suppress the change effort. Kasanen mentions a strong engineering culture focused on diagnostic measures obstructing the implementation of a strategic balanced scorecard in the case organization – observed business managers preferred operational cockpit type of scorecard instead (Kasurinen, 2002).

Lastly, delayers – akin to catalysts – are usually linked to the purpose, type or objective of the change project itself. They interrupt progress due to capacity, planning and/or resourcing issues: a highlighted example describes how issues with data collection, needed in order to design the new balanced scorecard, was categorized as a delayer in the case group (Kasurinen, 2002).

As mentioned earlier, purpose of the suggested subcategories was to facilitate the detection, analysis and explanation of barriers to change. From a managerial perspective, this was seen to assist organizations detect and avoid potential issues associated to their own change projects. Previous change models, especially in light of academic research, did not similarly emphasize the role of barriers, often leading to insufficiently detailed analysis of forces negatively affecting change initiatives (Kasurinen, 2002).

Similarly, Innes and Mitchell's (1990) as well as Cobb et al.'s (1995) change models largely focused on explaining change after the fact, through categorization of factors identified through empirical findings. Kasurinen (2002), on the other hand, points out the value gained by applying the change model already at the planning phase – through sufficiently detailed assessment of change advancing and hindering factors, as well as their magnitude vis-à-vis, organization could take corrective actions earlier in the change process, improving the likelihood of success.

Whereas barriers are given more visibility through sub categorization, Kasurinen's (2002) model streamlines the role of change advancing factors: motivators, facilitators, catalysts, momentum and leaders are all equal sources of potential for change. Accounting change is thus seen to realize through the interaction of potential of change and three subsets of barriers.

In effect, this positions the revised model to be applied more efficiently in situations where barriers rather than change promoting elements are seen to be the more influential factors.

Kasurinen's revised accounting change model is summarized in **Figure 3** (Kasurinen, 2002).

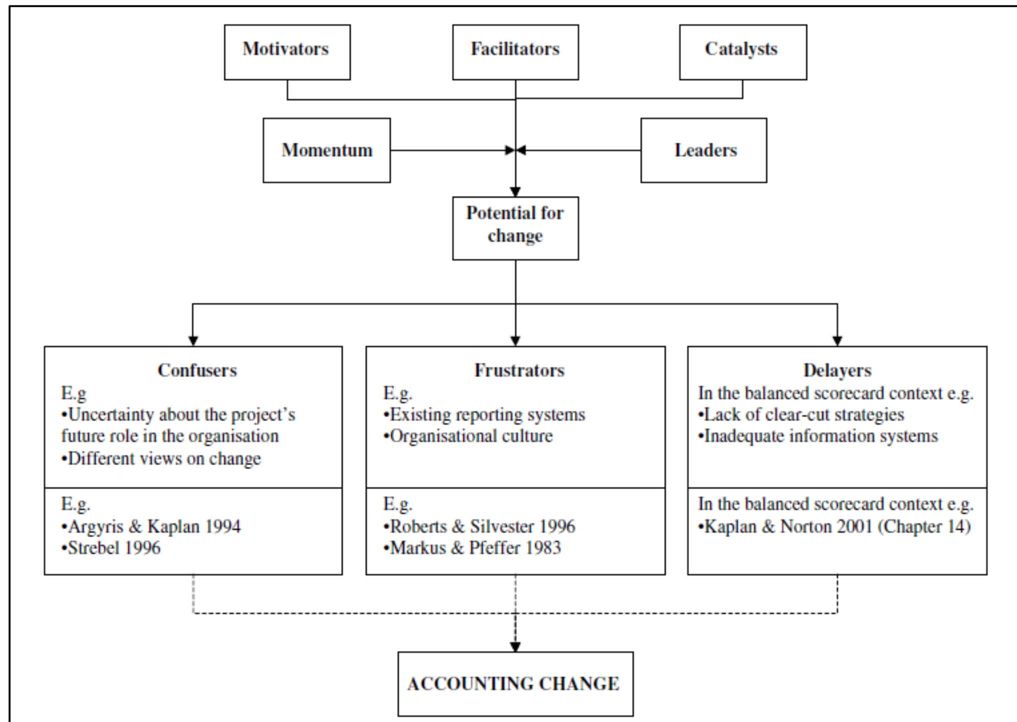


Figure 3: Kasurinen's revised accounting change model (2002).

This study adopts the view that change implementations are often riskier than assumed in Innes and Mitchell's (1990) and Cobb et al.'s (1995) accounting change models and thus barriers' role is of special interest for the empirical analysis of the case organization's change implementation efforts. Consequently, it is expected that Kasurinen's (2002) revised accounting change model will offer a suitable framework for analyzing the change influencing factors detected in the case setting. In addition, the model offers several opportunities for adding to the academic body of knowledge, briefly summarized below.

Firstly, Kasurinen (2002) suggests that applying the model for additional types of change project studies could be beneficial for both testing development purposes of the model. While the framework has been utilized in few recent case studies, its use has focused predominantly on change projects relating to management accounting tools – especially the balanced scorecard – and practices, not role transformations per se (see for example Agostino &

Arnaboldi, 2011; Upping & Oliver, 2012). Moreover, on a general level the model's utilization thus far can be described as limited at best.

Secondly, comparability of management accountant's role change related studies has hitherto been problematic: several field studies have been carried out, but in theoretic isolation: findings have rarely been connected to previous results and research settings, methods and objectives have varied substantially (see for example Pierce & O'Dea, 2003; Maas & Matêjka, 2009; De Loo et al., 2011; Lambert & Sponem, 2012). This thesis will propose a general approach to future research regarding barriers to role change by applying Kasurinen's (2002) accounting change model as the theoretic lens for the empirical study.

Simultaneously, a growing separation between business practices and accounting research has been identified, with the latter distancing itself from the day-to-day activities of management accountants (Hopwood, 2008). Although not a remedy in itself for the highlighted disconnection, this study hopes bridge the gap by focusing on managerial perspective of accountants' role change. Chosen theoretic framework will assist with classifying, analyzing and highlighting potential barriers preventing management accountants from achieving a more business oriented role, while the case description will offer accounting students, professionals and practitioners alike an additional perspective on expectations and demands set upon modern management accountants.

Based on the theoretical framework now described, next subchapter will provide a summary on barriers to change as highlighted by the recent academic literature. This information will be used in assessing the factors observed in the case study in the later chapters of the thesis.

2.6. BARRIERS TO ROLE CHANGE

Granted that previous studies have not primarily focused on barriers to role change, factors that negatively impact the adoption of a more business oriented management accountant role have still been identified. A summary of these elements presented next will be complemented by the thesis' research findings, with the intent of formulating the first comprehensive overview of barriers to role change that can be applied and further supplemented in future case studies.

Alignment between the needs of managers and management accountants' understanding of the same impacts the success of change initiatives (Chenhall & Langfield, 1998). Byrne and Pierce (2007) noted that in several of their case companies, a collective comprehension of

management accountants' role was missing. Pierce and O'Dea (2003) reported similar findings: management accountant's understanding of what their counterparts expected of them was generally considered to be poor. Absence of this shared understanding has been associated with role conflict and growing employee dissatisfaction (Chenhall & Langfield, 1998). By utilizing the classification proposed by Kasurinen (2002), "role misalignment" (between management accountant and his/her counterpart) is identified as a potential confuser.

Individuals can also knowingly hinder role change progress. Management accountants', in a number of French companies, pleas to provide assistance to operational managers were rejected on the basis that they were perceived to only interfere with strategic issues (Lambert & Sponem, 2012). Burns and Baldvinsdottir report how a finance manager refused to implement a business oriented management accounting work process due to his personal opposition to the change (2007). Such examples can be seen to relate to rooted beliefs that represent organizational subcultures (see Kasurinen, 2002). Accordingly, "subcultures" can become frustrators in a role change context.

Business partner role is founded upon principles of team work and cooperation. Both Lambert and Sponem's (2012) and Burns and Baldvinsdottir's (2005) studies suggest vicinity of management accountants to their operational counterparties supported the adoption of the business oriented role through trust and relationship building. "Remoteness of management accountants" can thus be seen as a delayer, hindering cooperation and communication capacity of accountants. Taking into consideration that the thesis' case company represents the information technology industry, and recent developments such as service outsourcing (see Smith et al., 2005; Herbert & Seal, 2012), remoteness can also be seen to be influenced by the (quality of the) communications tools available to employees.

Mouritsen (1996) argues that top management and line functions through their support and validation empower management accountants to carry out their organizational role. For example, adoption of the service-provider role is only feasible if accountants are allowed to do so. Further, if management shows little concern over issues brought forth by management accounting reports, accountants can lose incentive to assist operations understand factors behind these (Ma & Tayles, 2009). Therefore, "lack of organizational validation", that is, support as well as legitimacy given to management accounting, is here perceived as a confuser that directs attention away from operational topics.

Scope of activities that management accountants are responsible for relates to another discovered role change barrier. As Burns and Baldvinsdottir (2005) argue, management accountants can act in a hybrid role, combining book-keeper activities with the problem-solving mindset. However, routine reporting can crowd out the time meant for providing managerial services to other functions (Järvenpää, 2001; Vaivio & Kokko, 2006; see also Maas & Matêjka, 2009). Growing regulatory burden due to the introduction of SOX and changes to the International Financial Reporting Standards (IFRS) has reportedly increased the amount of time management accountants spend with statutory tasks (De Loo et al., 2011). Irrespective of the underlying rationale, the re-emerging "demands for traditional accounting function" can be seen through Kasurinen's (2002) framework as potential delayers of role change.

Analogous to above, merging business support and book-keeper roles can lead to situations of conflicting interests: independence needed for remaining objective in financial reporting can be compromised as a result of business-initiated requests, often requiring a certain degree of relaxing financial assumptions (Byrne & Pierce, 2007). Lambert and Sponem (2012) add that in a matrix environment, functional and operational managers' disagreeing demands are a source of conflict. Previously described issue of too much accountant time devoted to book-keeper tasks can originate either from role characteristics or for example from regulatory requirements. Here, "role conflict" is a result of the clashing characteristics of the traditional and modern roles. Role conflict can be categorized as a confuser.

Kasurinen (2002) argues that "inadequate information systems" have a change delaying effect: required information is not readily available, which slows progress down. Managers interviewed by Pierce and O'Dea (2003) saw the lack of timeliness and weak variety of management accounting information available as degrading the value of service offered to them by business oriented management accountants. Similarly, Burns and Baldvinsdottir (2005) note that lagging accounting systems could not match operational managers' information needs, while majority of accountants responding to Graham et al.'s (2012) survey claim IT systems as the main barrier to their work, due to taking too much time to maintain. Hence, inadequate information systems' role as a delayer is considered to apply also in the role transformation context.

Improvements in information systems, training and increasingly also in the outsourcing of management accounting services create internal competition for management accountants.

Business managers are increasingly performing reporting tasks themselves (Friedman & Lyne, 1997; Burns & Vaivio, 2001; Burns & Baldvinsdottir, 2005), as "hybridization" is also seen to impact operational functions (Lambert & Sponem, 2012). In a context where core accounting tasks are outsourcing into a shared services organization, management accountants might have to justify their role as business partners (Herbert & Seal, 2012). These developments are dubbed here as the emergence of "internal competition" vis-à-vis management accountants' business oriented role and thus, can be classified as a confuser factor.

Barrier type	Barrier description	Example
Confuser	Role misalignment between management accountant and business	Pierce & O'Dea, 2003
Frustrator	Subcultures within the organization	Lambert & Sponem, 2012
Delayer	No physical proximity to business partner	Burns & Baldvinsdottir, 2005
Confuser	No organizational validation for new role	Ma & Tayles, 2009
Delayer	Demands for traditional accounting function	De Loo et al., 2011
Confuser	Role conflict	Byrne & Pierce, 2007
Delayer	Inadequate IT / accounting systems	Graham et al., 2012
Confuser	Internal competition	Herbert & Seal, 2012
Delayer	Insufficient skill set	Järvenpää, 2001
Delayer	Personal objection (to the new role)	Burns & Baldvinsdottir, 2005

Table 3: Summary of barriers to change.

The service-provider stereotype entails a number of skills normally not associated with the traditional management accountant. These include better understanding of business realities as well as strong communication, presentation, teamwork and relationship building proficiencies among others (see for example Pierce & O'Dea, 2003; Yazdifar & Tsamenyi, 2005; Byrne & Pierce, 2007). Yet, questions have been raised about the capability of all management accountants to develop these competences (Järvenpää, 2001; Burns & Baldvinsdottir, 2005). In view of that, and applying Kasurinen's (2002) change model, management accountants' "insufficient skill set" will be categorized as a prospective role change delayer.

Finally, as Byrne and Pierce (2007) emphasize, individual's own preferences substantially impact the role characteristics they adopt. Not all management accountants aspire for more business orientation. Instead, many "may prefer to remain in the bean-counter category" (Burns & Baldvinsdottir, 2005). In a context where accountants are forced to become more business oriented, personal objections can completely prevent change from occurring. Final obstacle recognized is thus accountant's "personal objection", which under the applied framework can be seen as a delayer – at worst even an irreconcilable barrier. Noteworthy here is that this last barrier is directly connected to the target of the role change implementation.

Summary of the presented barriers to change are presented in **Table 3**.

As a summary, past studies focusing on the introduction and existence of the business oriented management accountant role have teased out a number of barriers to (role) change. Several of them relate to the conflict between the traditional and modern role, while the role of other functions is also substantial in determining the success of change initiatives. Still, the academic field concerned with barriers has thus far received little academic interested. Consequently, the intention of the empirical study is to validate and complement this list of change inhibiting factors.

Chapter 3 will now discuss the research methodology and method applied in the thesis and introduce the case study setting, including the case organization, researcher's access to the organization and empirical data collected. Afterwards, chapter 4 will present the empirical part of the thesis.

3. RESEARCH METHOD

This chapter will explore the research methodology of the thesis and discuss the chosen research method, that is, the descriptive case study. Both the benefits and limitations associated with the method will be summarized. Additionally, the construct of the field study will be introduced.

3.1. METHODOLOGY AND METHOD

This thesis is interested in analyzing the rich and socially constructed phenomenon of role change, especially questioning whether the reported change in management accountants' role is observed in practice Currently, professional and managerial sources call for the adoption of the business oriented role, often clearly in a normative tone (see for example Siegel & Sorenson, 1999; Siegel & Sorensen, 2003; Tarasovich & Lyons, 2009). However, as the academic literature review confirmed, field studies of the past have frequently discovered barriers and factors that prevent such role change from realizing. It is also unclear whether organizations can actually draw benefits from having more business oriented management accountants.

Llewellyn (1993) argues that methodology, instead of method, is the prime influence behind the type of results researcher generates. In order to understand the forces that work for and against the studied role change, this research will adopt the interpretive theory as its methodological starting point. Whereas normative theories seek to produce recommendations of how organizations should act, the interpretive approach is more concerned with theorizing based on the collected empirical data and interpretation thereof: research does not aim to confirm an existing hypothesis but rather, to analyze collected evidence in the context it is gathered from (Scapens, 1990; Dent, 1991). Aim of the thesis is to produce an account of the field study, which other researchers can use to draw their own interpretations from, but also explanations to why the role change project in the case organization is progressing as it is. This approach adopts the modern view of interpretive theory, assuming that interpretive approach can also produce objective causations between factors and resulting events (Kakkuri-Knuuttila, Lukka & Kuorikoski, 2008)

In case of the interpretive approach, the chosen theoretical framework essentially becomes the goggles though which collected empirical data can be analyzed. However, the risk of creating a strong theoretical foundation can lead to bias, as research is overtly focused on finding

empirical evidence to support the constructed theoretical framework. Case becomes theory, not problem centered. At worst, this will lead to valuable observations being sidelined since they do not readily conform to the predictive model used as the underlying theory (Humphrey & Scapens, 1996). However, Ahrens and Dent mention that making observations that are disconnected from theory is simply “dull” (1998). As mentioned, the study does not seek to validate an existing theory and the framework constructed will be used to facilitate the analysis of the findings.

Vaivio (2008) states that qualitative case studies can act as reality checks against the validity of normative recommendations and define conditions under which said advice might best be utilized. Ahrens and Dent (1998) comment that field studies offer a suitable method particularly for analyzing the tensions that are linked to accounting and different actors interacting in complex organizations. Considering the normative underpinnings of the current discussion around the modern role of management accountants, and the complex nature of the analyzed phenomenon, this thesis will use qualitative case study as its research method. Surveys and other quantitative methods generate too cursory results to be of use in analyzing the phenomenon of role change (Scapens, 1990). The case method will be presented in the next subchapter.

3.2. EXPLANATORY CASE STUDY

The research method chosen for the thesis is an exploratory case study, which aims to provide explanations why certain practices exists or events occur (Scapens, 1990). Within the context of the thesis, objective is to find out why the chosen case organization has started a role transformation initiative and what factors have affected the success of this program. Kasurinen’s (2002) change model will be used as the theoretical framework through which findings are interpreted. Simultaneously, the empirical data can also be used to develop the utilized framework, as collected observations may either strengthen the theory, or point to its shortcomings (Vaivio, 2008).

The study sample size consists of a single case organization. Smaller sample size can allow for a more in-depth focus on studied subjects and production of richer empirical findings (Ahrens & Dent, 1998). However, for statistical generalization purposes, the scope of the study is unquestionably too small. As Scapens argues (1990; see also Vaivio, 2008), statistical generalization is concerned with identifying a given phenomenon in a large population, while theoretical generalization seeks to produce hypothesis that can be tested in similar or

dissimilar contexts, results either strengthening or weakening the validity of the initial theoretical model. Consequently, Lukka and Kasanen (1995) suggest that case studies can generalize their results by validating existing theories and building upon them.

Another potential limitation of the case study method is the validity of the obtained results: studies can be constructed in a biased manner, with researcher only presenting data that supports the objectives of the study. Further, small collection of empirical data and short periods of time being spent at the case organization often lead to less validity and reliability in terms of the research findings (Ahrens & Dent, 1998; Vaivio, 2008). Data triangulation, that is, the use of numerous sources of empirical evidence increases the reliability of the evidence (Scapens, 1990; Vaivio, 2008). This case study is based on field interviews, internal memos and reports as well as observations made within the organization as the empirical data. Further, the researcher has spent two years working for the case firm prior to conducting the field study, which lasted for several months.

The fact that the researcher has worked for the case organization raises the question of research bias. Llewellyn (1993) reminds that interpretive case studies are always impacted by the researchers pre-understanding of the case environment. Danger is that research becomes interlinked with the personal characteristics of the researcher (Scapens, 1990). Humphrey and Scapens (1996) note that the researcher is always a participant, not an observer, in the case study. As such, objective field studies do not exist. Nevertheless, researcher acknowledged the potential issue with research bias and decided to focus on analyzing parts of the organization he was less familiar with and limiting the involvement of his prior colleagues in the research process.

3.3. INTRODUCING THE CASE STUDY

The case company was selected for two reasons: first, it is running an ongoing program seeking to introduce the business oriented management accounting role in the organization. As such, the firm provides an environment that allows the researcher to study the origins, methods and results of the role transformation initiative. Secondly, due to the researcher's history with the organization, he was granted a substantial access to interviewees, internal documents and other potential research material. The case organization agreed to participate in the study under a pseudonym, and due to confidentiality reasons, sensitive data has been masked.

Main body of the empirical data consists of interviews carried out in the organization. A total of 15 people from the case company were interviewed: seven business unit managers including the country manager and eight finance managers who were the finance counterparts of the interviewed managers and responsible for leading the finance (that is, management accounting) activities for the specific business unit they belonged to. One interviewee had no direct business counterpart, as her tasks largely related to the financial accounting duties and external reporting for the firm.

Interviewees were conducted anonymously for confidentiality reasons and to ensure candid responses from the respondents (Ahrens & Dent, 1998). Only the country finance manager knew the list of employees that participated in the study. This was attributable to her role as the executive sponsor and internal champion of the research. However, due to the nature and topic of the study, it can be assumed that people understood their (business or finance) counterparts would also be answering similar questions. Interviews, that were semi-structured in nature, lasted between 60 to 80 minutes. Interviews were recorded and transcribed. Transcriptions were showed to the interviewees in order to verify that notes were prepared as per the content of the interviews. No follow-up interviews were held. The interview template can be found in Appendix B and C.

In addition to the interviews, a number of internal documents such as memos, reports, training material and meeting notes were obtained and analyzed for research purposes. In addition, the researcher also participated in internal meetings that dealt with topics relating to the role transformation project. All empirical data was selected on the basis that it related to the case organization’s ongoing role change initiative. Similarly, interviewed individuals represented roles that were targeted for transformation, or business managers whom collaborated closely with the finance employees. Research took place between autumn 2012 and spring 2013.

Several sources of information were used to strengthen the validity of the empirical data. Moreover, the researcher could use his familiarity with the organization to assess validity of obtained information. Eventually only material that was directly linked to the role transformation project was included in the study. However, as the researcher worked previously in a finance position, his pre-understanding of the case organization is biased towards the finance function and realities related to working in a similar role.

Further, although confidentiality of the interviews was ensured and it was emphasized to the participants that they would appear anonymously in the study, reliability of the field interviews can still be subject to concerns: respondents were asked to discuss topics concerning their own future within the case organization, and many of the questions related to how interviewees perceived working with their close colleagues. It is acknowledged that due to such sensitive topics, people might have been hesitant to give direct answers and instead, chosen to downplay negative matters discussed during the interviews.

Next, chapter 4 will introduce the case organization and discuss the case study findings. Chapter 5 is dedicated to the analysis of the empirical data and presenting of the thesis' conclusions.

4. EMPIRICAL PART: CASE TECH INC.

This chapter will present the empirical findings of the case study. The case company, which will be introduced in subchapter 4.1, will be referred to as "Tech Inc." going forward. Similarly, it was agreed with the interviewees that they participate in the study anonymously. In order to protect the anonymity of the participants, it is only revealed whether they represent business unit operational management or business unit's finance function.

First subchapter will introduce Tech Inc. and briefly discuss its history. Specially chosen challenges pertaining to the organization's strategy, market position and structure are outlined. In addition, recent information technology industry developments are briefly discussed, as they have been important elements driving the strategic decisions and initiatives of the case organization.

Next, the trusted advisor program is presented in subchapter 2. This change initiative aims to introduce more business orientation to Tech Inc.'s global finance workforce. The program's content includes the definition the trusted advisor role, processes how employees can seek to become advisors themselves and related training material for finance employees.

Subchapter 3 focuses on the Finnish subsidiary of Tech Inc., and how the worldwide trusted advisor program has affected its finance personnel as well as their business counterparts. Interviews conducted at the site explore whether the roles of local finance employees have been impacted by the program, characteristics of the local level collaboration between finance

and business employees and how the change initiative has been perceived by these two groups of professionals.

Findings of the case study will be analyzed in chapter 5. Analysis focuses on answering the two main research questions, that is, whether the business oriented role of management accountants fits the case context, and whether specific barriers to role change can be identified based on the empirical evidence. Next subchapter will now give an overview on the recent developments in the global IT industry, impacting Tech Inc.'s operations and company-wide strategy.

4.1. TECH INC.

Tech Inc. is a multinational information technology (IT) corporation, headquartered in the United States. Founded in the first half of the 20th century, the company's long history has seen its product and service portfolio change significantly over time: due to a number of acquisitions the breadth and depth of Tech Inc.'s service catalogue has grown steadily. Simultaneously, several non-core product categories have been divested, either on account of related resourcing or financial issues. Today, Tech Inc. offers its corporate and consumer customers a wide range of information technology products and services, software, as well as financial services such as leasing and financing. With total annual sales of dozens of billions of dollars, Tech Inc. has split its operations into seven business segments, which together employ more than a 100 000 people. The organization is publicly owned and listed on the New York Stock Exchange.

Last years have seen Tech Inc.'s financial performance deteriorate. The global financial crisis increased the overall competitive pressures within the sector, as individuals and corporations cut back on their IT related spending. While macroeconomic conditions have thereafter slowly improved, recent trends in the consumer and enterprise markets have forced the sector participants – Tech Inc. included – to make significant changes to their operating models. Accordingly, Tech Inc.'s overall strategy and business model, and by extension its organizational structure, have evolved radically within the last 5 years, as the company has strived to re-position itself in light of the emerging consumption trends. These sector-wide shifts will be briefly introduced in the following subchapter, as they have in like manner shaped the strategy, structure and operating model of Tech Inc. and its finance function.

4.1.1. Tech Inc. and Recent IT Sector Developments

The market for traditional end-user IT devices such as laptops and desktop computers is changing: growing sales of smart phones and tablets have started to eat away at PC manufacturers' market share. Not limited to the consumer market, this trend has started to impact the business-to-business market as well: consumerization[1] of IT that is employees' growing tendency to bring their own devices to the workplace fragments the enterprise market for IT hardware as companies increasingly embrace employee chosen pieces of equipment over long-term contracts with single IT device providers. Similarly, the "servitization" of IT has meant that IT capabilities that previously required companies to make costly hardware investments are now available through the "as-a-service"[2] model (see for example PwC, 2011a; Chui, Manyika, Bughin, Brown, Roberts, Danielson & Gupta, 2013), where companies only pay for the usage of said services. On the whole, the impact of these changes to the IT sector has been two-fold: firstly, market participants have had to decide whether to invest in these new types of end-user products or for example completely exit the hardware market. Secondly, opening up of competition among device manufacturers has put downward pressure on margins. Tech Inc. provides hardware to both consumer and enterprise customers, and accordingly has made significant investments and changes to its product-related operations. Most notable development has been the merging of two of its global business units, a process which at the time of the interviews was not yet completed.

Akin to the product market disruptions, the IT services landscape is currently under a considerable transformation: service offerings such as big data[3], automation of knowledge work and cloud-based solutions (see for example PwC, 2011b; Chui et al., 2013) have created new markets and business models for IT service providers. These data-driven innovations promise increases in productivity and cost savings to enterprise customers, while providers themselves compete by investing into associated research and development and/or acquiring

---

[1] Traditionally, contracts with IT service providers dictated the type of hardware companies issued to their employees. Consumerization refers to employees being allowed to select themselves the devices they want to us, essentially making the consumer side the driving force behind IT hardware sales (see for example PwC, 2011a).

[2] Servitization refers to the so-called "cloud services", where IT capital/hardware investments are replaced by service-based solutions: instead of owning devices, companies (and consumers) can purchase IT services on a transaction-basis. Instead of companies, infrastructure investments are made by the (cloud) service providers (see Chui et al., 2013, pp. 16-18).

[3] Big data consists of formal and informal information, sought both from internal and external sources. Related service offerings are built around sophisticated pieces of software used in structuring, analyzing and exploiting this data in managing operations and assisting in decision making processes (see Chui et al., 2013, pp. 12-14).

related capabilities through acquisitions. As aforementioned services rely on the cloud (that is, through online connection) as the distribution channel – in contrast to IT services produced locally onsite – IT vendors with smaller global footprint have been able to start competing for global IT outsourcing and service provision contracts. Tech Inc. has boosted its own service portfolio through several acquisitions, while simultaneously facing tougher competition from new market entrants.

As briefly noted above, technological breakthroughs have made it easier for smaller IT companies to enter the global IT service provision market: more and more information technology services, such as computing capacity and data storage, can be offered without the need for client-specific investments and onsite service delivery. Instead, cloud-based offerings and multi-tenant[4] solutions make it possible to geographically separate the delivery and consumption of IT services. For Tech Inc., this has meant more intense competition, as namely Indian service providers have aggressively started to bid for a larger portion of global IT outsourcing contracts, a major part of Tech Inc. business. On top of competitive prices, these emerging markets IT vendors offer enterprise clients flexibility originating from their smaller organizations, as well as laxer contract terms due to the nature of their local regulatory frameworks.

As a consequence of the financial crisis and aforementioned IT sector developments, Tech Inc.'s profitability has declined and it has lost share in several markets. Consequently, the organization's recent stock performance has been less than stellar. This has led to strategic focus being placed on cost savings and rationalization of Tech Inc.'s operations. For example, one of the organization's recent initiatives aims at cutting spend on internal IT infrastructure through worldwide system optimizations and consolidations. Further, poor stock performance has provoked several reshufflings of Tech Inc.'s top management. Replacement of key managers, including the chief executive officer, within the organization has translated into prolonged times of strategic re-orienteering, as succeeding managers have invariably – to a greater or lesser extend – introduced new strategic directions for the corporation.

Latest of these strategic shifts has been the initiation of a multiyear transformation project. Launched in 2012 by the latest CEO of the organization, this worldwide program is a

---

[4] Shorthand for information technology solutions, such as software applications, that are used to serve the needs of several customers simultaneously. This is the opposite of a model where each customer requires their own software, hardware investments and so on (single-tenant).

complete overhaul of Tech Inc.'s business and it aims to improve the efficiency of its internal processes and strengthen the profitability of its business units' operations. All of the corporation's business units are impacted by this initiative and the nature of changes implemented (or to be implemented) varies across the global organization. As an example, part of the multiyear plan is the restructuring and refocusing of Tech Inc.'s internal support functions, finance being one of them. During the program's first year Tech Inc. has already experienced several organizational changes, impacting among others employee's reporting lines, responsibilities and day-to-day activities.

In conclusion, Tech Inc.'s recent history has been characterized by constant change. As an illustrative example, during the interview period the organization was in the middle of completing a merger of its two business units, preparing to re-structure its finance department, carrying out ongoing improvement projects relating to the above mentioned turnaround program and continuing to introduce new product and services offerings. In addition, the trusted advisor initiative had entered its fourth year. Tech Inc.'s finance department and the changes it has faced as of late will be introduced in depth in the following subchapters.

First, next subchapter will introduce the organizational structure and management model of Tech Inc., focusing on positioning its global finance function in relation to the various business units, and introducing how finance and business interacts within the organization.

4.1.2. Tech Inc.'s Organizational Structure

Geographically, Tech Inc. is organized around three main reporting regions, namely Americas (AMS), Asia-Pacific (APJ) and Europe, the Middle-East and Africa (EMEA). Based on the size of their market, said regions are further split into smaller management reporting units. As an example, Tech Inc. Finland belongs to the Greater Western Europe (GWE) subregion, while Tech. Inc. Germany, attributable to the larger size of its addressable local market, is on the same organizational level as GWE. Tech Inc.'s top management, that is, headquarters is commonly referred to as worldwide or WW level.

Within this hierarchy, Tech. Inc. is segregated into global business units similar to a divisional structure: each unit is responsible for managing a specific part of Tech Inc.'s product or services portfolio. Accordingly, the units' business and operational models differ significantly, resulting in business unit specific organizational designs, governance and reporting models, even tools and systems. This presents challenges for cross business unit

collaboration, as employees are mostly familiar with how their own unit operates. To counteract this, Tech Inc. actively encourages its employees to view themselves as part of a single company and promotes pan-organizational collaboration. Still, terms such as “silo thinking” and “internal competition” are occasionally used to describe the cooperation between business units.

Tech Inc.’s business units are made up of both customer facing – such as account managers and sales executives – and so-called back office roles that manage unit distinct tasks and processes. In addition, various global support functions – for instance human resources, legal and finance – provide their services to the units.

In contrast with the pure divisional structure, these global support functions follow the matrix model: predominantly, employees report directly to their functional managers, while maintaining a dotted line reporting relationship with a designated business or operational manager. Moreover, some functions operate business unit specific organizations. For example, within the regional finance department a specific group – with its own management – is assigned to oversee the financial and management accounting matters of the consumer products business unit. Such organizations operate within the boundaries of the regional hierarchy and divisional business unit structure, introducing additional management layers for employees.

Finally, complementary to the global support functions, Tech Inc. has set up numerous shared service centers that provide specialized support across regional and business unit boundaries. Operating in low labor cost countries, the centers have their own organizational structures not directly linked to – or reporting to – the global business units or support functions. Owing to its recent financial performance, Tech Inc. has strengthened its efforts to move activities from the country level organizations into these service centers. So far, targeted services have mainly consisted of routine tasks such as periodic reporting and transactional duties, but the trend has been to “outsource” ever more complex tasks.

All in all, Tech Inc.’s company-wide organizational structure is complex. More so for employees that work for the global support functions, as they often belong to various business and functional unit specific teams and groups. Employees are subject to demands for services from the business unit, support function and even regional management channels. Tech Inc.’s recent strategic shifts have also meant several reorganizations: interim project groups have

been set up to tackle specific business issues, reporting lines between units have been redrawn and resources have been reallocated to units were long-term profitability has been seen to be the strongest. Most recent and noteworthy example of this has been the decision to merge two of the global business units, a process that at the time of the study was still ongoing.

Figure 4 depicts a simplified version of Tech Inc.'s organizational structure, demonstrating how its finance function interacts with the other organizational units. Next subchapter will explain how this structure supports the corporation's strategy setting process. Purpose is to define the boundaries set by top management on local level target setting and strategy making. As the case focuses on Tech Inc. Finland, understanding the subsidiary's capacity to manage its operations supports the analysis of the case findings.

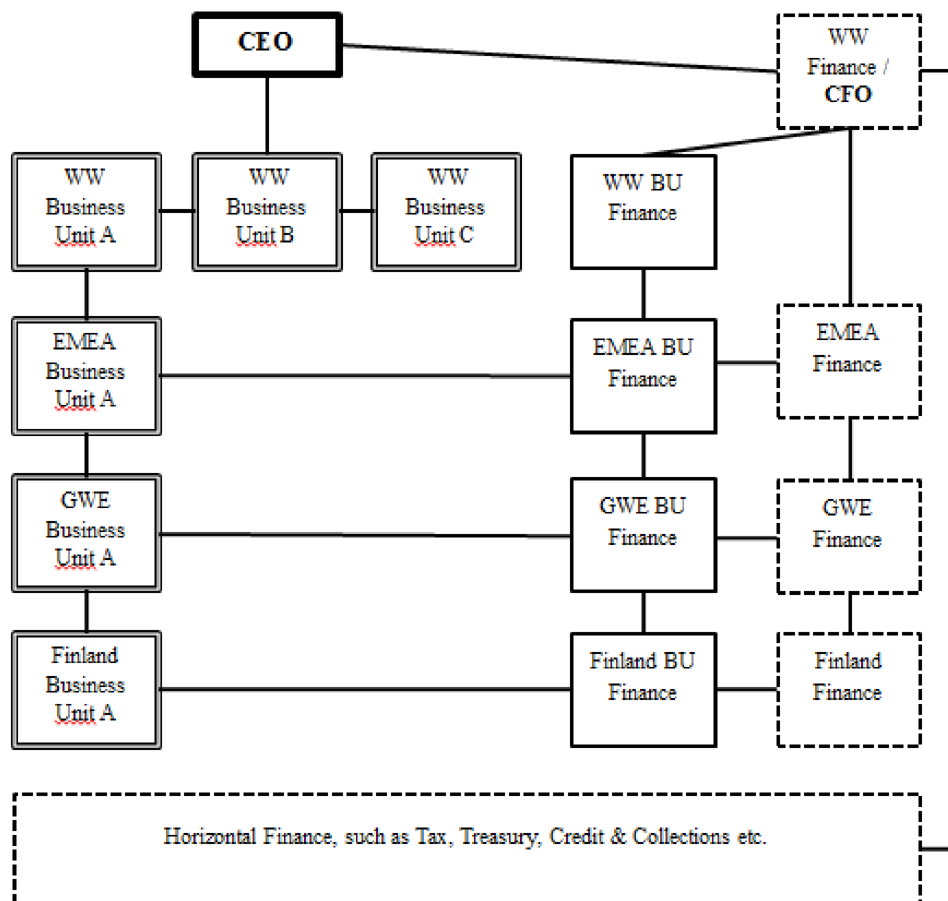


Figure 4: Tech Inc.'s organizational structure.

4.1.3. Setting Strategy in Tech Inc.

Tech Inc.'s corporate strategy is set by its top management. Global business units are given a yearly budget and associated financial targets. In recent years these targets have focused on profitability, principally on measures such as operating margin and aggregate cost of operations. Strategy, budgets and targets are allocated top-down to lower levels of the organization, with each regional management tier being responsible for local quota setting. From the perspective of a local entity, yearly targets are thus often "non-negotiable". While the corporate strategy is often communicated as a multiyear journey consisting of several operational and business related goals, budgeting is purely an annual process. Budgeting is the most visible part of Tech Inc.'s corporate planning process and strong emphasis is put on business units and local subsidiaries achieving their targets.

Changes to Tech Inc.'s global product and service portfolio are an important aspect of corporate planning for the organization. Portfolio decisions are driven by external markets and assessments of internal competencies. Lately, company's outgoing and incoming CEOs have also had substantial say on the type of offerings Tech Inc. has focused and invested on. Many of these strategic shifts have not outlived the chief executive officer who championed them and as a result, Tech Inc. has faced several major redesigns of its offering. Latest example of this has been the decision to merge two of the corporation's business units, a process which at the time of the research was still ongoing.

Portfolio changes impact not only the research and development activities of the corporation, but also direct resources and financing within the global organization. For example, the amount of finance, marketing, legal and sales support a given business unit receives is both linked to the annual budget as well as to the importance of its offering to Tech Inc.'s current strategy. Again, portfolio decisions are predominantly made by the global organizations. Regional and local units receive many of the updates as given, and have very limited capacity to influence these decisions.

Local subsidiaries such as Tech Inc. Finland are subject to both their annual budget as well as to large extent the regional management. However, while top and regional management determine the long-term strategy and associated financial targets, local management can tailor its own activities to the market it is operating in. Challenges to this capacity to manage arise from both budget constraints and conflicting leadership. For example, a local business unit can be simultaneously subject to local budget demands, supporting regional business unit

management in their focus areas as well as to adhering to global Tech Inc. policy on promoting certain of their services.

Tech Inc.'s matrix organization is very visible to the employees as well: the amount of requests they receive from various organizational levels can at times be unsupportable and people need to be able to prioritize between business unit, subsidiary and region specific communications. Due to the large number of support organizations that exist within and outside of the business unit structures, it is also at times unclear where certain task originated from, or what is the correct organizational path to follow if matters have to be escalated to higher management.

For the most part, Tech Inc.'s strategy setting process provides a clear direction for business units and subsidiaries to steer their operations, while the annual budgeting process defines the boundaries for local level activities. Regional and local levels have a certain degree of freedom to manage their own business, making it possible – again, to a certain degree – to cater to the local market needs. Difficulties arise when same freedom is extended to the whole global organization, consisting of several permanent and non-permanent, support and non-support teams, groups and organizations. Following the management matrix is at times challenging, something that applies to the global finance function as well. This support unit will be briefly presented next.

4.1.4. Tech Inc.'s Finance Function

As usual for modern corporations, finance is considered a support function within Tech Inc. This position is also highlighted by the fact that finance has its own organizational structure with direct links back to business forming at each chief executive office – chief financial officer level. Nonetheless, in order to provide business unit specific support, finance has also formed distinct organizations that reside within the global business units, providing unit specific assistance. Lastly, groups such as portfolio finance, tax and credit and collections provide cross-business unit support for their own domain.

Tech Inc. has recently started forming service centers in countries with relatively cheap but well educated labor. These globally operating service centers focus on providing finance support. At the time of the study, this support consisted mainly of transactional and routine reporting tasks. Direct consequence of the service center "outsourcing" has been that headcount local finance teams has started to decrease: duties and responsibilities that

previously were handled locally have been shifted outside of the country, making a number of roles redundant. Establishing service centers has been part of Tech Inc.'s aim to reduce operation costs, and the trend is expected to continue. Simultaneously, finance and business employees have had to adjust to working with remote service centers.

Financial and management accounting tasks in Tech Inc. are clearly divided between different finance teams and organizations: business unit finance (or business finance as referred to in Tech Inc.) is responsible for management activities such as budgeting, forecasting and reporting, while financial accounting tasks are handled either by specialized groups (for example treasury) or by country finance, that is, the finance team lead by the local chief financial officer, operating outside of the business unit organizations.

As Tech Inc.'s business units manage a specific part of the organization's portfolio, business and operational models differ significantly across units. Additionally, business units serve markets with distinct characteristics and prevailing conditions. For this reason, business finance roles differ notably between business units. While underlying finance activities are largely the same, the tools, processes and business' needs vary. Further, finance employees working in a specific business unit need to be familiar with the multitude of non-finance support functions and organizations associated with their business unit, as they are important stakeholders and information sources. The heterogeneous nature of business finance roles has also meant that many finance employees further their careers by migrating from one unit to another.

Tech Inc. finance's vision since 2008 has been to "be number one: the best finance organization in the world" (Tech Inc., 2009a; 2012). This vision is divided into three dimensions: becoming a trusted partner to business, becoming a global unified team and getting "it right consistently the first time", that is, providing successful and timely support. To promote this vision, the global finance organization launched an initiative to transform all of its finance employees into "trusted advisors". The vision, the trusted advisor program, its contents and how it is visible in Tech Inc. is explored in the next section.

4.2. FINANCE'S VISION AND THE TRUSTED ADVISOR PROGRAM

The trusted advisor program is deeply rooted in the finance organization's vision introduced in 2008. The vision and its key concepts will be presented next, followed by an overview of the trusted advisor project, intrinsically connected to the vision statement.

4.2.1. Finance's 2008 Vision

In 2007, Tech Inc.'s finance function recognized the need to transform its global operations. Several reasons were listed for the need for an overhaul: processes were seen ineffective, financial flows too complex and difficult to track and reporting and business planning capabilities needed improvement (Tech Inc., 2012). Moreover, building a culture of high performance coupled with a renewed focus on people development was seen as imperatives for the global support function. The geographical finance strategy was also brought to the fore, and the already started work to develop service centers gained momentum.

Building upon the foundations laid in 2007, Tech Inc.'s chief financial officer held a conference in 2008, inviting more than 700 of the corporations finance employees, representing various subgroups and teams, to discuss and agree on a single topic: creating a new vision for the finance organization (Tech Inc., 2008). Resulting vision proclaimed that Tech Inc.'s finance will become the best finance organization in the world. This goal would be achieved through three separate actions:

1. Finance will become one trusted partner for organizations across Tech Inc.
2. Finance will work as one team
3. Finance will do things one time

In a video summarizing the key concepts of the new vision, several then Tech Inc.'s finance leaders explained what the goals of the vision were (Tech Inc., 2008):

> *"The vision targets the desire to be a high contributing trusted partner that – you know – is going to make a huge difference for the company." (Chief financial officer, 2008)*

> *"What we are trying to get to is moving from beyond an organization that just provides numbers to an organization that provides insight beyond numbers." (Treasury manager, corporate finance, 2008)*

> *"I think there's a huge opportunity for us to leverage our work, share our experiences and get out of our silos and really operate as one finance organization going forward." (Director of human resources, finance, 2008)*

"Employees were very clear that they don't want to be doing things twice. They want to make sure that their jobs fit very closely and not overlap with other people, so eliminating duplication, doing things right the first time, one time." (Vice president, business unit finance, 2008).

Accordingly, the 2008 vision was operationalized under three streams: one trusted partner, one team and one time. Each stream had related "vision enablement objectives" that were both pan-finance and finance organization specific in scope, meant to drive the finance community towards the vision of becoming the best finance organization. General plans included actions such as process standardization, improvement of available career and self-development tools, goal of providing proactive strategic support that influences business decisions and optimization of finance's resource model, that is, continue the ramp-up of service centers. These initiatives were categorized per stream but also per each of the 2007 transformation focus areas: people, process reengineering, architecture lifecycle and enhanced reporting and data management dimensions. Finance organization level initiatives were more specific in reach and aimed at improving separate processes and tools. (Tech Inc., 2009a)

Simultaneously, Tech Inc.'s finance designed a set of metrics to track the progress of its journey towards the 2008 vision. Called "the best key performance indicators", this dashboard embodied KPIs that connected back to the three work streams identified above: one trusted partner, one team and one team. The best KPI dashboard was a living tracking tool, with annual revisions done on the metrics and their content as per the guidance and recommendations of different finance organizations. Tech Inc. also utilized the help of an external consultancy specialized in measuring and defining best-in-class processes. Consultancy introduced a set of measures to the dashboard that allowed Tech Inc. to compare its success against other companies utilizing similar metrics. (Tech Inc., 2010a)

The initiatives, their impact on the best KPI dashboard and on overall progress towards achieving the finance vision were tracked by Tech Inc.'s worldwide finance management, including the finance leadership of each business unit finance organization. As with the overall strategy setting, decisions regarding how best support the vision journey were made top-down: worldwide finance organizations provided high-level guidance to regional leadership, who in turn defined for local units the measures, initiatives and targets that were considered to aid finance in achieving its vision.

For non-management level finance employees, the vision and its tenets are most visible as part of corporate communications and as part of their personal annual goals. Furthermore,

annual “finance vision days” and “finance training days” dedicated to employee self-development often accommodate specific modules and segments directly focused on one of the dimensions of the finance vision. However, there exists no organization wide approach to support and incorporate the vision into daily work, rather management levels, business units and individual teams have freedom to decide how they wish to adopt – or disregard – finance’s long-term vision. When it comes to employees’ personal development goals, substantial differences exists on how much weight is put on for example on the trusted partner related KPIs and how much on directly business related targets.

Throughout its history, the 2008 finance vision has had to adapt to Tech Inc.’s shifting overall strategy: investment decisions made within the corporation have had a direct impact on the resources allocated to finance organization, as well as to the priorities set for the global support function. More than once finance has had to revise the practical initiatives and programs connected to the vision journey. An internal memo lists among others a major acquisition of a new business unit, change in supply chain strategy, reduction in IT spending for systems and tools, and substantial growth in compliance requirements as reasons for subsequent redesigns of the finance vision program (Tech Inc., 2012b). The downward trend of Tech Inc.’s past financial performance meant that budgets for finance, including for vision related activities, suffered several reductions (Tech Inc., 2012a).

Tech Inc. Finland’s country finance manager summarized the relationship between Tech Inc.’s overall financial performance and the finance function’s plans in the following manner:

> *“Our overall organization’s performance impacts finance. Our effectiveness is defined by a ‘cost-to-revenue’ measure, meaning that when our turnover decreases, this hits our budget. It has a direct impact. Which might even lead to a situation where you no longer can base your decisions on your strategy, instead you have to make rash decisions that are less-than-optimal. In a perfect world, you would make these decisions differently.” (Country finance manager)*

The trusted advisor program was created to support one of the vision’s main dimensions, namely that of employees becoming trusted partners to business. This program, its aims and content are the subject of the next subchapter.

4.2.2. From Trusted Partner to Trusted Advisor

Although the original finance vision listed becoming a trusted business partner as one of its main dimensions, an internal memo from 2009 referencing the sought out future state of Tech Inc.’s finance function explicitly refers to the *trusted advisor* role:

> *In order to become a trusted advisor development in soft skills, analytical skills as well as business knowledge is needed. Overarching goal for Finance people is to move from "bean counting" to "decision enabling" through gaining credibility and trust as a business partner, rather than be seen as a supporting role. In other words, program is aiming at re-positioning Finance personnel as advisors rather than reporters. (Tech Inc., 2009b)*

This internally communicated definition of a trusted advisor formed the basis for the role transformation initiative, and set the expectations for Tech Inc.'s finance employees regarding the goals of the program.

As referenced earlier, from 2008 up until 2011 Tech Inc.'s finance sought to promote the role of trusted advisor through various trainings and initiatives run under the trusted partner heading – in fact, these terms were often interchangeable and what mattered, was the intention to bring finance closer to business and enable them to better serve their business counterparts needs. There was, however, no formalized organization behind this initiative. The trusted partner moniker also connected to operational targets such as improving Tech Inc.'s credit rating and optimizing its working capital (Tech Inc., 2012b). Accordingly, resources and investments made to the trusted partner category were directed to pure process and task training, highlighting finance's haphazard approach to supporting the high-level role transformation.

In 2011, more than three years after the introduction of the new finance vision, most of the so-called best KPIs used to measure its success had not markedly improved. Concurrently, finance management launched new vision enablement initiatives, based on employee and manager feedback, in order to change this trend (Tech Inc., 2012b). Among the announced schemes was a new people development tool called the "Career Visions portal". This intranet portal was planned to contain training relevant for finance employees, and from the vision perspective, it was associated to the one team stream.

Career Visions portal, amidst the rest of the training material, contained a section titled "becoming a trusted advisor". As the name implies, this segment was devoted to promoting the trusted advisor role, first referenced in 2009 as part of the trusted partner stream of the finance vision. It was the first, and to date only, formal collection of documentation solely targeted at enhancing the skills needed for finance to better support business. With the launch of the portal, Tech Inc.'s finance organization also put together an administrative group of finance experts from various sub organizations to oversee, manage and update the contents of the trusted advisor training site. (Tech Inc., 2011b)

The training portal defines three categories of skills needed to become a trusted advisor: soft skills, analytical skills and business knowledge. Soft skills relate to effective communication, negotiation and influencing knowhow and improving cooperation with business partners. Analytical skills, on the other hand, focus on financial acumen and drawing value-added advices from financial data. Lastly, building business knowledge concerns not only understanding Tech Inc.'s business, but also that of competitors and developing an external perspective towards customers and the market. Core principle of the trusted advisor role is the goal of moving from reporting – that is, from bean counting – to forward-looking, strategic business consulting. (Tech Inc., 2011a)

Alongside the Career Visions portal, the larger finance community continued to run trusted advisor themed events, workshops and training days. Content, such as replays from onsite events seen as suitable for the worldwide organization were added to the portal and internal finance meetings routinely emphasized the importance of allocating time to self-development such as the advisor program. However, due to the decentralized approach to managing this initiative, each management unit once again had the freedom to influence how essential their teams and units regarded the role transformation, and for example from a measurement perspective, whether their participation to trainings was followed or not. In cases, it was solely the responsibility of the individual to seek out information from the portal, reserve time to go through the material and implement changes to their daily work.

Same disconnection applied to how business was kept informed about finance's aspiration to become better partners and advisor for them. The program, related communications and events, were largely aimed only at finance employees. For example in Tech Inc. Finland, workshops dealing with the topic of trusted advisor role were solely aimed at finance employees. It was the responsibility of the finance organizations to inform their business counterparts, and include them in any role transformation activities.

At the time of the study, Tech Inc. finance's vision journey was in the middle of its fifth year, and the trusted advisor portal had existed for more than a year. In addition, earlier trusted partner projects had fostered the same imperative for cultural change: transforming employee from bean counters into forward-looking business partners. The core principles of the advisor role initiative called for more interaction and cooperation between finance and business. However, at the end of 2012 Tech Inc.'s deteriorating performance led to a major strategic

reorientation within the finance community: cutting costs became an imperative for support functions, finance included, and a substantial redesign of the finance operating model was announced. Although during the field study this reorganization was still in the planning phase, it will be briefly introduced in the next section in order to emphasize the changes that finance employees were facing – and in some units had already experienced.

4.2.3. Finance Operating Model Redesign

The announced finance operating model redesign had one clear aim: to reduce the support functions operating costs. Tech Inc.'s growth had slowed down, substantially constraining the support function allocated budgets. Cost effectiveness would be sought from several sources: investments into IT automation, reduction of overlapping finance roles, moving an increasing amount of routine tasks into service centers, consolidating organizations and stopping non-core finance work, instead focusing on key financial processes and business support activities. In addition to cost savings, this reorganization's objective was to increase the time finance employees' spent on providing value-adding services at the expense of routine tasks that could be "outsourced" or automated. (Tech Inc., 2012a)

Each business unit finance as well the horizontal organizations such as tax and treasury had their specific transformation agendas and initiatives that would be clarified during the months to come. Internal communications regarding the changes had already been started and the overall finance community – although not on specifics – was aware that their roles and ways of working would change considerably in the short- or medium-term. For example, it was unclear whether local finance positions would disappear, be consolidated into a higher organizational level or outsourced to the service centers. (Tech Inc., 2012a)

Discussing the topic, the country finance manager provided some insight into the high-level goals of the transformation of the finance organization:

> *"The thought behind our current organizational changes relates to end-to-end accountability. That is, responsibility for certain processes will be anchored to specific functions. What has happened in the past is that this responsibility has bounced between different organizations and levels. This will be implemented by making each business unit finance function fully responsible for the financial results, balance sheet and compliance of related business finance processes. Simultaneously, controllership will retreat from many areas, and focus will be on financial accounting, compliancy topics, audits and such. Tax questions will be a high priority for smaller countries. All in all, [the goal is to] clarify the roles and responsibilities between different organizations."(Country finance manager)*

For Tech Inc., change was an ongoing process, something the finance organization was well aware of. Correspondingly, the operating model redesign sought to better prepare the support

function for future events that would require it to adapt its operations. County finance manager continued:

> *"Another change is that a separate organization will be created for each business Finance unit, which facilitates adapting to changing business situations. Future organizational changes will be easier to carry out, as you no longer need to consult the 90 or so different countries prior to taking action. Decision making will be centralized within these organizations." (Country finance manager)*

During the research period, most of the changes facing Tech Inc. Finland were yet to happen.

Lastly, the finance operating model redesign project coincided with another worldwide internal change: Tech Inc. had decided to merge two of its global business units into a single organization, leading to further reorganizations and consolidations impacting both finance and business personnel. Again, final plans for the new unit were not yet finalized, although initial work towards the merger had already been started.

All in all, for Tech Inc.'s finance employees year 2012 presented significant challenges in terms of organizing internally and implementing the declared future operating model. Many of the decisions regarding the end outcome were not final, but steps were already being taken towards the future mode. These transformation programs were initiated by worldwide management. Although regional management had the responsibility to finalize the regional designs, for Tech Inc. Finland the changes were largely given.

Following section will now focus on the field study conducted at Tech Inc. Finland. Intention of the study was to find out how the trusted advisor role transformation initiative had, amidst the other ongoing changes, influenced the local finance employee's role and the way they worked with their business counterparts.

4.3. TECH INC. FINLAND AND THE TRUSTED ADVISOR ROLE

Following subchapters present the interview findings and discuss Tech Inc. Finland's finance function's role in supporting its business units. Further, it is explored what – if any – impact the trusted advisor initiative has had on this role.

4.3.1. Tech Inc. Finland's Finance function

This study's research topic is outlined to management accountants and to analyzing whether their roles are in practice transforming towards a more business-oriented model. Within Tech Inc., business unit finance represents the traditional management accounting function and financial accounting is chiefly managed by country finance and controllership employees. Out

of the eight interviewed finance employees, only one, the manager of the local controllership team, directly represents controllership function. The country finance manager shares both financial and management accounting responsibilities. Although financial accounting and accountants are not in the study scope, the interviewee findings from Tech Inc.'s controllership manager are still included in the empirical evidence as they provide valuable insight into the success of the trusted advisor program.

Interviewed business managers were each managing one of Tech Inc. Finland's business units and as such, represented direct business counterparts and main stakeholders of the finance employees. Several of the managers had prior experience of working in regional roles within Tech Inc., but they were asked to reflect upon their experiences with country level operations during the interviews. This ensured that the research questions were analyzed namely from Tech Inc. Finland's perspective.

Interviews started with questions relating to the role of Tech Inc. Finland's finance and the type of support the function provided to business units. Both business unit leaders and their finance counterparts agreed that principally finance's main contribution to running the business today related to numbers and understanding how operational changes translate into financial consequences:

> *"When Finance participates in different governance meetings, what I expect is that they should be able to estimate the impact, how changes to the business will show up in our financials and through which mechanisms, and what type of additional information we need in order to determine this impact. This type of expertise should lie on finance's side. Of course, on business' as well, but when there's a lot going on, finance should be the party to steer the focus to these important matters, be 'awake' in a sense." (Unit manager, business unit F)*

Processes such as forecasting and analyzing financial results were often mentioned by the interviewees, highlighting business unit finance's current management accounting oriented role. Following excerpt summarizes especially well the finance employees' view on the tasks they saw as being of value to their business counterparts:

> *"Most important support to business in my opinion is forecasting, participating in that process. Then, monitoring of the monthly results, providing estimates how our numbers will end up looking, and finally through analyzing our results updating our forecast. And after the fact, when monthly numbers are final, analyze why we missed or did not miss our targets, and what actions we should take based on this understanding." (Finance manager, business unit A)*

The emphasis between management and financial accounting related activities within the finance role pertained greatly to the underlying operations of the business unit – or in the case of the country finance manager, the subsidiary – that they supported. Tech Inc. sells products

and services to markets with markedly unique characteristics, something that directly impacts the role of business unit finance and defines partly how finance employees spend their time. Further, due to Tech Inc. being headquartered in the United States, American regulation also has an effect on finance' role:

> *"One major part of my duties during the [month end] close is to calculate and analyze the residual rebate provisions. It's extremely regulated. Something that auditors first check. It's a big thing for our business unit and we spend a lot of time doing that. Then there's SOX [Sarbanes-Oxley]. Making sure we are compliant and for example recognize our revenue according to SOX takes another huge chunk of time. And business does not care about these [processes], they are my responsibility. As long as business does not hear about these [compliancy] matters I'm doing my job well." (Finance manager, business unit A)*

Nevertheless, only the controllership team – that is, the country finance according to Tech Inc.'s unofficial terminology – could be classified as working purely on the financial side of the accounting domain. This is due to the fact that controllership is responsible for Tech Inc. Finland's legal books and bookkeeping, including the processes that are needed to maintain both regulatory compliancy and external reporting. Business unit finance ensures that relevant policies are adhered to, for example when transactions impacting the company's books are carried out, and provides support to controllership whenever needed. Business unit finance on the other hand manages the so-called management books, which form up the basis for the internal measurement of a business unit's performance.

Interestingly, whenever discussion turned to financial accounting natured matters, finance people emphasized that the less business is involved in these "back office" processes, the better. It was seen that part of finance's duties was to relieve business from the burden of worrying about the finance profession and policy related topics. This was not business' area of expertise and they had their own operational tasks to run:

> *"Okay, the background of my role is to understand the financial controls around [our business] and make sure the business unit is compliant, and intervene if I notice issues. This means, my business partners can depend on me to take care of that, they themselves don't have to act in the police role. And also, to act as the link between sales and the so-called pure financial accounting so sales department doesn't have to worry about that. That is, to know for example how certain transactions are done." (Finance manager, business unit D)*

> *"Most important task [for me] is to make sure judicial accounting matters are managed and our managing director does not have to worry about them too much, which is important for the board as well. It's about making sure risk management works." (Country finance manager)*

Whether of financial or management accounting type, finance employees in general spent a significant part of their time on mandatory periodic activities. Each month, business unit finance had to close the (management) books and analyze the financial results. Business unit's

forecast might be updated even on a weekly basis in units where market moved in short cycles. Besides the processes that were visible to business management, finance managers also preoccupied themselves with finance domain specific tasks, all of which business people rarely were completely aware of. This meant that finance employees often struggled with carrying out ad hoc requests that their business counterparts raised due to deadline conflicts. As one finance manager explained:

> *"I don't think they [business] really understand our schedule. It happens to me that I'm in a middle of a tight schedule and someone from business comes to say 'hey could you help me out with this small thing'. And I try to respond that I have to submit this [report] in the next 5 minutes or so and they continue 'but it's just a small matter'… But it's up to us to teach the business organization that sometimes finance simply is not available." (Finance manager, business unit E)*

This source of conflict was especially apparent on the enterprise level, where the country finance manager worked in the intersection of country and business unit finance, CEO and external requirements and regulations. Discussing the topic, she remarked the importance of understanding the possibility of such clashes and having an approach to prioritizing:

> *"Schedule conflicts [between requests hailing from finance and business] do emerge. There is also the additional conflict caused by my dual role of managing both the financial accounting and compliance related and management accounting roles simultaneously, these perspectives are at odds every now and then as well. My guiding principle has been that I cannot compromise on compliance matters." (Country finance manager)*

The month end closure (MEC) was a process that was well known within Tech Inc. Depending on the business unit, the monthly closure of the management books might take around a business week to complete, and during this time period finance employees rarely had time for non-MEC related activities. Business managers had a varied opinion regarding this monthly duty. Many noted that the periodic closure process was a "necessary evil", something that had to be done. Although generally speaking business had adapted to the MEC period, it was still evident that the resulting availability of finance was a source of frustration cross business units. Following quotes display the variety of opinions expressed about this fundamental finance responsibility. First manager, while understanding the mandatory nature of finance's mandatory tasks, felt that Tech Inc.'s internal policies did not support operations effectively:

> *"I see that conflicts arise due to the fact that finance has created for itself these complex rules. Then you struggle to understand why something that makes perfect sense is, in practice, almost impossible to carry out. -- But it comes from the internal guidelines and internal complexities, and there's good and bad side to that. It just feels to me that sometimes common sense is lost when things are communicated from worldwide to our local level." (Unit manager, business unit E)*

Second manager acknowledged the monthly pressure that business unit finance faced. He also remarked that while receiving support from finance during month end periods was problematic, they had to be understanding of the reality of finance's dual role – supporting business and managing the business unit's management and financial accounting activities:

> *"How finance's large area of responsibility is visible [to me] is the hurry. When it's [month end] close time and finance works through the clock, of course they focus purely on that process. I imagine there are an infinite number of things that business does not see and does not understand [that needs to happen]. And, at certain point in the process they [finance] need, with a very short turnaround time, feedback from us for something that business usually considers as a burden. Still, they have every right to demand this information so as to be able to do their jobs." (Unit manager, business unit C)*

Finance managers do not handle month end close activities by themselves, instead each business unit has a specific finance organization structure and resourcing based on available budget, complexity of unit operations and finance strategy created at worldwide and regional levels. In one business unit, the available resourcing was seen as the key issue limiting finance's capability to provide business support:

> *"You can't deny it [that conflicts do not exist]. Our finance is, after all, working with quite limited resources at the moment. You have these finance owned, for example during month end, routines and tasks. During these periods finance's availability to support business is limited. And we do understand that. For us, it's more a questions of resources than anything else." (Unit manager, business unit A)*

Country finance manager acknowledged the fact that finance organization had suffered from a lack of resourcing, stating that "Due to the current resourcing issues, throughout the year, we have had to focus on the mandatory tasks." (Country finance manager).

Finally, one manager noted that finance has to set correct expectations for business and collaboration needs to be based on mutual understanding on the level of support available during certain periods of the month. This remark was set against the background that, he had witnessed the effect individual differences had on the readiness of finance to assist business:

> *"I'm aware that certain days in a month are bad [for additional requests] but it all boils down to setting the expectations together. If we think about finance offering a service catalogue to the business, then in order to provide that service you cannot say 'for these five days we are closed' or then you agree together that this is how it goes. – If business needs to run all the time, then you need to agree on what services are needed all the time. Now it seems that it [finance] is a bit of an undefined territory, it depends on the person whether something can be done or not." (Unit manager, business unit D)*

On the other hand, one finance manager maintained that refusing to assist with ad hoc requests was often necessary, as time constraints meant there simply was no room for non-core activities. Instead, his priorities were linked to the official roles and responsibilities defined as part of his role description:

"Let's say, there is a need for a report. And our own finance function has defined in the role description that this report is not part of their responsibilities. You have colleagues around the world, some of them are flexible, some less so. And occasionally it has seemed that I'm the only one who has learned to be strict [regarding the requests]. I notice that some of my colleagues perform these additional tasks [of running reports], probably since they have time for that. – Due to resourcing, I have simply had to learn to prioritize: I understand you need the reports, but it's not part of my duties. Learn to do it yourself or use the standard material we have available."(Finance manager, business unit D)

Regarding the official role of finance employees, it was largely dependent on the business unit whether a description of finance's roles and responsibilities existed beyond the high-level role definition offered by the worldwide finance organization. As one finance employee explained:

"There is no official role description. The role has shaped itself during the years based on the activities the finance person has decided to pursue. I have done my own modifications [to the role] as well. Still, every now and then it's a bit frustrating that there is no job description, better yet there is no clear definition of my role and responsibilities." (Finance manager, business unit A)

As a comment to the job description topic, the country finance manager referred to the upcoming change in finance's operating model as a part reason for shortcomings in the role definitions:

"We do have role descriptions for business finance positions in different business units. However, due to the upcoming re-organizations, these have to be revisited. But I have to admit that we are not perfect in sense, that necessarily not all [finance employees] have an up-to-date job description available. And my understanding is that a new RACI [responsible-accountable-consulted-informed] table will be defined, but on an organizational and functional, rather than an individual level. Expectation is that division of responsibilities will then be brought down to lower levels, but this will take time." (Country finance manager)

The top-down roll out of role descriptions, and in cases lack thereof, meant that finance employees had a degree of freedom to design their own roles within the boundaries of the mandatory monthly tasks and requirements set by their local managers and business partners. It was a matter of individual preferences on which areas the finance employee chose to focus on. Similarly, few of the business unit managers explained that they had discussed their role expectations with their finance partners and sought to formulate joint role descriptions. One of the managers who was more involved in setting the responsibilities of his finance lead noted that ultimately, roles need to be realistic and simultaneously, they do set requirements for the individual tasked with fulfilling them:

"Role definition needs to be aligned with reality: if we are selling and marketing one kind of a role and then reality is completely different, for example you are mostly working with routine tasks. Then it's sure that dissatisfaction will follow and no one will be happy. If we can define the roles and then the content of the role is as planned, for example [finance would be] closer to a business controller type and be closer to the business and the business counterpart, of course the individual needs to adapt to this. It's not sufficient that you can crunch the numbers, you need to make conclusions and communicate your findings as well, and be able to work with different people since they all work differently. Then again, give the same individual only routine tasks and let him hack away with Excel, it's not right either." (Unit manager, business unit D)

Personality as a factor impacting finance's role in Tech Inc. Finland was often brought up in the discussions, especially by finance managers themselves. They agreed that there are fundamental differences in working in business finance compared to country finance, that is, in a management accounting oriented role, versus financial accounting oriented one. Interestingly, although finance's support to business was namely described as providing financial analysis, business unit finance employees in general described their function as something extending beyond the mere financials they retrieved from the management accounting systems. As one manager stated:

> *"To summarize my view on numbers, they are a necessary evil so to say. Numbers have no value if we are not basing any decisions on them." (Finance manager, business unit E)*

Commenting on the personality aspect, the manager of the controllership function admitted that her interests related mainly to the numbers, not the operational realities behind them:

> *"Not adequate [my understanding of the business], I can tell you that outright. I should learn more about it, but in reality I have never had great interest towards operational topics, I'm more of a 'numbers person'. But increasing my grasp of the business would definitely assist me a great deal in my role. So I believe I simply must invest in this area as well." (Country controllership manager)*

Tech Inc. Finland's business unit finance interacts with their respective business partners regularly. Whereas country finance's various internal meetings and reviews are often held amongst finance participants only, business unit finance routinely takes part in several operational meetings where input from finance is required and expected. Finance managers also depend on various stakeholders for information, whether for forecasting, understanding financial results or budgeting purposes. Consequently, one business finance analyst emphasized this interaction and cooperation with business as the key characteristic of business unit finance work:

> *"If you love numbers, then you should remain more in the financial accounting side, and you shouldn't come over to this [business finance] side if you are afraid of talking to managers for example. That's the thing with accounting, you still have those roles where you don't have to interact with people that much. Although for how long, I don't know. – That's the way it goes. Eventually, this [finance] will become a people business as well." (Finance manager, business unit F)*

When asked about finance employee's strengths and development areas, business managers shared the view that their finance partners excelled in technical skills and accounting profession related matters: they were well aware of Tech Inc.'s internal policies and knew how to utilize the large number of accounting related tools and systems in place. Managers, as underlined by the following quote, regarded finance as an expert when it came to working with financial information:

> *"In terms of technical skills, in my opinion this has been finance's definitive strength area. – If we talk about finding the data, fixing it, calculating various key ratios based on it, tasks of this nature. I see no issues there." (Unit manager, business unit C)*

With respect to improvement areas, it was seen that most of the focus within finance was directed internally: business unit performance was measured mainly against historical data, and market perspective was rarely utilized as a reference point. Business managers asked for more attention to be placed on how competitors were faring, while several finance leads mentioned their wishes of better understanding the industry level success of their business units. Country finance manager supported the view of finance's high level of professional skills, noting that the reason behind was in the current demands of the regional organization:

> *"Our strength is our technical skills: we know our business units and the processes. I believe the biggest development area for us would be to change our perspective, from internal to looking at our performance as part of the larger market. Gaining external insight that could then be applied in our own business. This is not demanded today, and we are not investing in this area. Regional focus today simply emphasizes these technical matters." (Country finance manager)*

When discussing how well business finance understood the business they were supporting, opposite opinions were presented: several business and finance managers stated that finance's grasps of operational topics was good. Yet, a number of business managers also remarked that understanding the business was one of the development areas they wish their finance partner would focus on. In offering an explanation for this need, one comment highlighted the fact that becoming familiar with daily operations does not happen overnight:

> *"It's probably a well-known fact that there has been this particular challenge, that I've led the unit for 3 years, and had 4 finance managers. I don't know if can you make conclusions that the role itself is not very fun, or then that there is something fundamental that would have to be changed. – But the outcome has been that understanding the business has come at the end of the lifecycle of this role, just when the expertise develops." (Unit manager, business unit F)*

Majority of business managers wished their finance counterparts would likewise develop their communication and influencing know-how. For managers, it was crucial that the key message finance wanted to convey was presented in a simple and easy-to-understood format. As noted earlier, Tech Inc. operates several different financial systems which provide vast amounts of financial data. Consolidating this data into a "management friendly" format was something that the business unit leaders appreciated. Moreover, finance was expected to play a part in the business unit's decision making processes: Business expected justified guidance on what finance saw as the most appropriate course of action in light of financial analysis. Tech Inc. Finland's country manager summarized his view on the development needs by referring back to people's attitudes regarding how finance can best support operations:

“Competencies in our organization, the overall level of know-how is on a very high level. The challenges thus culminate in communication and in attitudes. I’ve used the revenue recognition rules as an example quite often: if a person has to take on the responsibility of deciding whether we have followed all processes and revenue can be recognized, easiest way for this person to succeed in this role is to say ‘no’. He is not measured for commercial success and risk for him is lowest when he doesn’t take any changes in this area. This type of person is not a partner in that sense. Attitude should rather be that how can I support, how can I assist, and your focus should be on trying to understand the problem and figuring out a solution for that. -- If a Finance person is perceived as a controller, in a negative sense, that you simply block any and all business initiatives, well that’s not very good.” (Country manager)

As a recap, Tech Inc. Finland’s management accounting professionals were seen as technically skilled, but limited in their attention to external markets. Their role entailed a large amount of routine tasks, which at times were seen to interfere with providing support for their business partners. Nonetheless, due to inadequate role descriptions people had chosen to concentrate on specific areas of the business, leading to differences between the types of assistance finance leads provided to their business units. Due to these individual role characteristics – and considering the underlying diversity of the business units themselves – collaboration between finance and business manifested in a variety of ways which will be presented in the next section.

4.3.2. Collaboration with Business

Notwithstanding the organizational changes underway in Tech Inc., most of the Finnish subsidiary’s finance-business relationships were local, that is, the business and finance leads sat at the same office and often very close to one another. Although work in the technology firm was often characterized by numerous internal meetings – within local, regional and functional streams – interviewed employees saw the value in having a close proximity to their partners. This allowed for informal and extempore exchanges of information and assisted in keeping both business and finance up-to-date:

”It’s extremely helpful [that I’m situated in the same office as our business]. Our unit manager sits behind me and our offering manager almost next to me. I always hear what’s going on, and can comment on the spot, provide support. No extra effort is needed, for example to find a quiet room for a conference call, in case our business manager was sitting in a different country. They [business] are so busy, they are rarely here. But when they are here, we can immediately share information.” (Finance manager, business unit A)

Organizational changes were, however, already impacting some of Tech Inc. Finland’s business units. Not limited to the finance organization, certain reporting units had already witnessed their full organizations being reshaped, usually towards more virtual collaboration at the expense of having more local resources working at the same office:

”We have been lucky that our business unit still has a team in place in Finland. For example, our sister unit Scandinavia, it’s completely virtual. Many countries have been bundled together, leaders come from different countries, and finance is spread over several locations… We have been lucky.” (Finance manager, PPS)

Another business unit had consolidated several operational roles within the regional level, moving many of the roles out of Finland. When discussing this major operational change, the finance manager commented that the ramification was most apparent in his ability to follow what the unit’s sales function was planning, negatively impacting his ability to make financial projections as well as control that internal finance rules and regulations were being followed:

“I myself, I have not butted into sales’ internal discussions that much. On the other hand, it could be beneficial to do that more and it’s probably part of my plans going forward. [Due to virtual team] You no longer can simply walk around the office and pull someone’s sleeve in order to get answers. It used to be a lot about physical presence and close cooperation.”(Finance manager, business unit D)

Virtual relationship often meant lesser control over the business unit operations and visibility to the country level. Tech Inc. had faced issues with having remote finance support, as one shared example from outside the Finnish subsidiary demonstrates:

“We had a case a while back where a business manager, quite new to the role, was not aware of certain discount policies, which eventually caused some bigger issues. – Later on we had a discussion whether this situation could have been prevented if we would have had a local finance employee supporting the business. Working remotely, you miss a number of these small clues in the daily business. You have to be very active working in the centers, constantly be asking questions and following the business.” (Country finance manager)

Most of the business managers, on the other hand, saw that operating in a virtual relationship posed no problems within Tech Inc.: the organization offered the needed tools and systems to support cross-country collaboration and most of the employees already had several non-local stakeholders that they interacted with regularly. Whenever new members were added to the business unit management team, whether locally or to another country, it was customary to organize at least one face-to-face meeting to introduce newcomers to the organization. Expectation was that having met in person made it easier for people to work together regardless of the used communication channel. At the end of the day, it was more about the capabilities of the individual, not their physical location:

“There’s nothing wrong with [a] virtual [relationship]. It is still a single person who manages and knows the role, you’ve still met the person and know who they are and so on. In addition to keeping in touch via email you have telephone conversations multiple times a week. The process works very, very well.” (Unit manager, C)

Overall, finance people were more concerned about having the access to business managers than vice versa. Operational topics took most of the managers’ daily schedules, and they

always had the monthly reporting and business planning meetings where finance was available. To the contrary, when faced with unexpected impromptu issues or demands, finance often required the assistance and information from business to be able to carry out the required actions. As the country manager explained, Tech Inc. prioritized the needs of its business units and support functions such as finance was often at the mercy of the busy schedules of their business partners:

> *"We are a very business unit driven organization, and our support functions' importance is somewhat secondary. That is why in the country management area I have emphasized the need for everybody, whether from finance, HR or business, to participate in the overall management and development of our organization. Everybody needs to give up a bit of their time for the common good. If different functions would merely focus on their silo-like goals, then running such a business becomes very difficult." (Country manager)*

However, although admitting that working virtually required a different skillset than the traditional model of face-to-face cooperation, Tech Inc. Finland's country finance manager stated that in her view, virtual relationships within finance did function efficiently. Issues emerged when business had to talk "finance" with their finance partners and work on topics they were less familiar with, suggesting that the subject of the meeting affected the suitable means of communication:

> *"I no longer see a considerable difference between working with a person at the local office or someone working remotely. The threshold for cooperating with these centers is clearly still higher for business. Finance is already familiar with working virtually, while business units are more locally structured. Additionally, when you are discussing finance matters, business in a way steps out of its comfort zone, which is easier to cope with if you are working face-to-face. It's challenging, but again it's our worldwide strategy. Similarly, this strategy undoubtedly is connected with the global budget allocated to us, and we have to organize our work within the confines of this budget." (Country finance manager)*

In addition to the information needs of the finance function, relationship building was mentioned as a desired by-product of working closely with business. Business unit's regular governance meetings were often packed with agenda and left little time for informal discussions, rather focus was on completing the specific task set as the goal for the meeting. In virtual cooperation, or in business units where collaboration between functional managers was less informal, finance manager often felt that neither the information sharing nor relationship building objectives were efficiently being realized:

> *"I wouldn't want it to become a monthly meeting, where we would just have the one chat per month. It [development of the relationship] would have to be based on a reasonable amount of information sharing. I'm not asking for a hundred extra emails per day, rather I simply want to know what's going on. – The biggest question to me is how to arrange all this." (Finance manager, business unit F)*

Correspondingly, one business unit manager acknowledged that communication between the right members of the business unit did not always take place, resulting in negative consequences for the daily business. Instead of pointing blame to the relationship model, he referred to how available different individuals made themselves, for example from the attitude perspective. He emphasized the mutual willingness to collaborate in managing and controlling the business:

> *"If we think about where our issues are, they typically originate from the fact that we have not used expertise at the right time. Knowledge has existed, but we have not taken advantage of that. Then we can ask 'well why not?'. Usually the answer is that you ask support from and work with people whose accessibility is high, meaning it's easy for you to approach and you feel you get value for your time. This 'easy buy-in' is a key factor also for finance." (Unit manager, business unit F)*

The most glowing comments regarding the working relationship between finance and business came from managers involved in a unit where key roles were situated at the same office, and people had worked together for some time. Discussing the cooperation he saw at the moment, the business unit manager once again also pointed out the difference one's role orientation brought to the finance function:

> *"I'd say our cooperation is of the stronger caliber. Our team is cohesive, people are at the same location and have been working together for several years. For example, our prior finance manager was fully absorbed in finance function specific matters and our business support simply was not there." (Unit manager, business unit B)*

Still, over the past years finance employees at Tech Inc. Finland had sometimes felt that they were not included in all business related discussions or communications, whether intentionally or unintentionally. There was talk of meetings and informal get-togethers aimed at business unit management teams with the exception of the finance lead, and discontent at the degree of cooperation was routinely expressed. During the interviews, finance managers agreed that recently the situation and level of communication overall had improved, but still saw room for improvement. Even the one business manager that had a very positive view on the level of cooperation with his finance partner, had to admit that communication still broke down every now and then:

> *"Communication is one of the hardest things [to do]. It's easy to overlook someone." (Unit manager, business unit B)*

Country finance manager, while recognizing the improvements, also noted that information sharing was still an area that was a cause for concern:

> *"Internal communication could still be improved, I still cannot always be sure whether I'm being kept up-to-date with all of the activities of our business units." (Country finance manager)*

In general, business managers agreed that business needs to work very closely with finance and acknowledged that in order to provide support, finance required assistance and information from operations. Regarding comments that the local finance community had occasionally felt slightly left in the dark, consensus was that they should work together to fix such issues. However, when finance was asked to join meetings and participate in business planning and strategy formulation processes, expectation was that they would contribute and bring something to the table. Similarly, business did not expect invitations to meetings where their participation was seen as unproductive and counterintuitive. As one business manager explained this relationship built on mutual expectations:

> *"Business needs to involve finance into their work as much as possible, otherwise finance will always remain an outlier. Then you lose the proactiveness. Improving our cooperation, it has to involve both sides. Finance has to feel as part of the business. That's the starting point for everything. Finance has to be involved in meetings where matters are discussed, so that once again they feel as part of the team, part of operations. And when they are there, then we should also expect certain added value for that [their participation]." (Unit manager, business unit C)*

Tech Inc. Finland's finance employees were concerned about two distinct mattes that could impact their partnership with business: firstly, the announced organizational changes that could lead to the disappearance of country level positions. Secondly, whether engaged in virtual or natural communication, they fretted about being involved in all relevant meetings and discussions, and being kept up to speed on operational topics. Business managers were less apprehensive about the current working relationship they had with their finance partners. They did however emphasize finance's responsibility in providing added value to business operations, in a sense to remain relevant to business. This ensured that business also had the incentive to involve finance as much as possible.

The launched trusted advisor program was aimed directly at improving the skills that enable the worldwide finance organization better serve their business partners and deepen the partnership between finance and business parties. Whether this project had produced any results for Tech Inc. Finland will be discussed in the subsequent subchapter.

4.3.1. The Trusted Advisor Program

When discussing the trusted advisor program with business and finance leads, it became very clear that only a few of the interviewees had heard about the role transformation scheme or its exact goals. The term "trusted advisor" was recognized by several of the respondents, but partly due to the fact that some of Tech Inc.'s sub organizations used the same title in their own jargon and training programs. It also seemed that the initiative had been more

prominently featured within the firm in the past, but had later become less visible as Tech Inc.'s – and its finance organization's – global focus areas had shifted. Tech Inc. Finland's country manager associated the role transformation project with the larger cost reduction initiatives running in Tech Inc.:

> *"I haven't been aware of the program that much lately. If you think of all the organizational changes, and the cost reductions linked to them, idea has been that some processes and tasks disappear in the name of productivity, but so far on a practical level this hasn't really happened. When talking about a trusted advisor, you are really not supposed to remain in a situation where you really don't know what is going to happen next. It's not an accusation towards finance, it has been a decision by the corporation how certain things are moved forward, but there are projects also on finance's side where you can't really tell who is in charge of and leading them." (Country manager)*

Another business manager, finding out for the first time about the role change program, commented about the importance of keeping all parties informed of the change initiative:

> *"I always think how important internal selling is for the operations of the company. If finance takes part in webinars, has training sessions, does long-term planning and says 'yes, now we are changing', and then the external stakeholders have no idea about this desire to change, it [the role change] will never realize. On our country level, I would not trust that our management joins the meetings and webinars where this trusted advisor program is discussed, rather I would take action and arrange sessions to introduce this initiative to business managers and other stakeholders. – We always seem to have these things that are amazing but no one knows about them, it's the same with our products for example. If public is not educated, the change will never happen." (Unit manager, business unit C)*

Sharing similar views, one finance employee remarked how the introduction of the larger organizational changes had also led to the resurfacing of the trusted advisor initiative. Still, for her the program remained as a management fad that had little impact to her daily work:

> *"It's a bit like, 'top management has decided we shall do this' but on a personal level I don't necessarily think about the program that much. – As I don't think about the program on a daily basis, it probably feels a bit more like a HQ initiative being fed down here. But now, as we are again on the verge of a structural change, this initiative is again brought out. Still, if I was asked what the content of the program is, I would not be able to tell you this." (Finance manager, business unit F)*

Majority of the business managers supposed that the trusted advisor initiative had not been efficiently communicated outside of the finance community, explaining their lack of awareness of the program. Similarly, many of the finance employees agreed that they had received lion's share of information about the role transformation scheme in events and documents aimed at the finance community:

> *"I see this term popping up, well mostly in our coffee talks and in the finance slide shows. It doesn't really show in our daily work, not at all. – It's an important goal, but with this type of work schedule, it doesn't really cross my mind to start focusing on the role development." (Country controllership manager)*

As intention of the program was that each business unit and local team would apply the information available in the Career Vision portal and given in specific training events, the

communication about the overall transformation initiative was often presented from the perspective of the worldwide finance community. Messages were not tailored to specific business unit support functions or horizontal teams (for example, tax department), further emphasizing the responsibility of the receiving end to take action and define what role change for each organization would actually mean. Discussing her improvement idea for the role change initiative, one business unit finance employee remarked:

> *"It [the information about the trusted advisor program] should come through the business finance network. The goal would become more concrete. Now I only receive information about daily tasks. If your own channel would communicate the message to you, you would receive the information already partly localized and interpreted through your own unit's perspective." (Finance manager, business unit C)*

Out of the seven interviewed business managers only one had more than a vague idea of finance's trusted advisor program, in fact he was actively working with his team in order to implement the trusted advisor ideology into their daily work. His prior position had been on a regional level, where he had heard of the role transformation project. Although trusted advisor role was agreed as a goal for the unit's finance-business relationship, in practice the progress towards creating a process to monitor and manage the development of this relationship was still sluggish:

> *"Yes. We have gone through with our finance people what it means to be a trusted advisor and a business partner, and that this is the direction we are moving towards. -- Already back in 2010, we were thinking about measuring this goal with a balanced scorecard of sorts, but the implementation was never finished. Now, similarly through our regional contact we are trying to agree on the measures and KPIs [key performance indicators] for this program." (Unit manager, business unit D)*

The lack of progress was also clear to the local head of finance, who was likewise most knowledgeable of the worldwide project. As mentioned earlier, becoming a trusted advisor was part of finance's worldwide vision, and often communicated especially to people managers working in the finance function. Yet, there seemed to be no enterprise level analysis being performed on how the trusted advisor goal was being adapted within the worldwide finance organization:

> *"Worldwide [finance organization] is following the progress of the trusted advisor initiative, but I have to admit it is not clear to me how this tracking is done. Could be that they are carrying out surveys, but directed to whom I do not know. – Considering that being a trusted advisor is such a major part of the global finance vision, I'm surprised about the amount of investments made to support and clarify the purpose of this program." (Country finance manager)*

Several interviewees commented that for them, the trusted advisor initiative still seemed to be a global initiative with not much attention being paid to the progress on regional and

especially on a country level. Country finance manager contemplated the matter and agreed that so far most of the progress most likely was visible for the top management team:

> *"The program should be visible on all levels. I'm very confident that on the executive level our CFO is a trusted partner to our CEO. But what is the progress for example here on the country level? You can create this role here, but it needs efforts from you, it requires certain kind of soft skills. No matter how technically good you are, it means nothing if you cannot communicate your knowledge to your business counterparts. And the role would have to be tailored to each individual, as we all have strengths and weaknesses in different areas. And yes, partly it is also about your attitude." (Country finance manager)*

Business representatives also pondered the connection between the finance led role transformation and global business unit management: it had never been explicitly presented whether the trusted advisor program was officially part of business units' strategic plans, or were all the actions being taken only within the worldwide finance function. Tech Inc. Finland's managers hoped that the program at some level of the organization had taken feedback from business perspective as well, and that business unit specific recommendations had been implemented into the change initiative. It was not sufficient that only finance redefined itself, business also had to be able to influence this transformation:

> *"I hope they have thought about the connection to business on the WW level, but then again, world looks quite a bit different from the perspective. And as I said, it's not just about defining the trusted advisor role, you also need to outline the other roles that interact with it. You can't say 'I have one piece ready now, let's finish the puzzle'. – You need the input [for the role definition] from somewhere." (Country manager)*

Interestingly, the country manager also reflected on his own role description, stating that the business partner also needed a transparent understanding of his/her responsibilities in order to be able to ask support for specific areas seen as vital for the business manager role:

> *"What hasn't been communicated clearly is the exact role of a trusted advisor, what are the related responsibilities? It is a high-level concept, yes. But this is something you could consider. For example, considering my tasks as a managing director, it is unclear what my exact responsibilities are, and then again which [finance] roles should support you in which area. It is surprising, it seems that the director's role is not very defined in our organization. – If my own role would be defined more clearly and extensively, it would also mean others would find it easier to position their own activities [in relation to mine]." (Country manager)*

As the level of awareness of the trusted advisor role in Tech Inc. Finland was rather limited, it was also often unclear to respondents what the characteristics of the role exactly were meant to be. Referring to the official worldwide program description, the country finance manager outlined what to her a trusted advisor in the context of Tech Inc. Finland stood for:

> *"If I think what a trusted advisor role means here in Finland... It's a finance employee whom the business trusts, to whom the business turns and with whom the business gladly collaborates. And you need the qualities. Technical competency, it does not have to be complete. But there is a significant difference whether you say 'I don't know' or 'I'll find out'. And the ability to speak business to business. You also need to be brave enough to take a stand." (Country finance manager)*

Continuing on the topic of the targeted role, the interviewed finance employees agreed that input from their business partners was needed for the role formulation. To them, it made no sense to work on achieving a specific role entailing certain activities and responsibilities, if this role was not aligned to the business' needs and to the requirements of their business counterparts. Moreover, the finance managers agreed that differences between various finance roles and business units themselves were so substantial that no single role description for finance would suffice:

> *"You have to involve them [business]. It makes no sense that Finance would create these grand visions if they are not done in cooperation with business. Even business units themselves, they are so different between one another. The model how you collaborate with Finance that works in one business unit has nothing to do with another unit. And if you consider Finance from the financial accounting perspective, it's again completely a world of its own." (Finance manager, business unit D)*

The most visible part of the trusted advisor program for employees was the Career Visions training portal, which housed a vast amount of material deemed either recommended or optional, from several different domains including topics that were business unit specific in nature. When going through the suggested training material, one business manager noted that much of the material associated with the role transformation seemed to be aimed at improving finance employees competencies and assisting them to focus on certain activities deemed to be of value to business. To him however, more important was to achieve a cultural change, not a simple change in one's responsibilities:

> *"If the aim of the program is to be a trusted advisor, what I would ask is whether the aim is to influence people through practical examples of how tasks could be done, or is the aim to influence our culture? – If the initiative is simply to make a statement [about the role of finance], then I consider it to be by principle a bad idea. Because there's too many separate business units, the message will be pretty 'far out there'. But if the intention is to influence attitudes and people's thinking, then the initiative is a good one. I have understood that we are talking about the latter option." (Unit manager, business unit F)*

Another business manager coined his expectations for the trusted advisor role in the following manner:

> *"[Our business unit] It's a company, where the finance manager is the chief financial officer. If you can internalize this [way of thinking], then you realize you have to come to the fore behind the numbers. Chief financial officer role, that's what it is." (Unit manager, business unit B)*

Expectations such as outlined above defined a large and complex role for Tech Inc. business unit finance people. Yet, business managers were also familiar with the practical realities of the situation, where for example routine reporting tasks still commanded a substantial part of finance employees' time. Additionally, resourcing that was impacted by the ongoing structural changes, planned merger of two existing business units and finance's operating

model redesign also affected what business actually could expect from the role change initiative:

> *"I'm aware of this business partner program and we can take that into account, but we have to assess what is the situation in terms of resources, can finance deliver? You have a lot of practical operative tasks or less value-add tasks that sit on the finance table. Expectations need to reflect this, if we want them to be business partners, the role definition and task list need to be aligned to this. Now, it has been that we expect something that never comes, and I know it's because there's simply no time. Then it's useless to set these expectations if the enablers are not there, systems, time and the ways of working are such that you can perform accordingly." (Unit manager, business unit D)*

Nonetheless, when the three development tracks identified in the program were discussed, most of the interviewees including finance managers themselves recognized that soft skills such as negotiation and presentation know-how of the finance employees should be improved. Business knowledge and, as reference earlier, external perspective were also brought up as potential development areas. Commenting on the development program contents, one finance lead also noted that for her, it was important that aims of the role change were still based on realistic goals and skills that mattered in practice:

> *"Firstly, in order to be a trusted advisor, you have to understand what they are doing and why, who are their customers and what kind of challenges do they face. More and more you need to understand this and get more familiar with the business unit realities. Without this, you really can't say much. This is one aspect of it. Then, if you think more about the Finance perspective, I'd imagine that the training would more focus on strategic and in a way more abstract matters. Danger is that it all becomes too much like pure marketing talk." (Finance manager, business unit F)*

Discussion then turned to the topic of how Tech Inc. Finland could promote the program, which was seen by business and finance as potentially beneficial for the corporation. The framework and support offered by the worldwide finance organization was considered too limited in scope and too disconnected from country operations to be able to achieve targeted role change results without additional help from local stakeholders. While both parties felt that arranging activities and workshops in Finland that would bring finance and business people together to discuss the aims of the program was a good start, finance managers were more willing to put these plans into motion. Business managers, on the other hand, were more reserved about promising to take action, usually referring to their schedules and more immediate needs of the business unit they managed. Yet, instead of seeking to implement the role change overnight, a more gradual approach was suggested by one of the respondents:

> *"It's similar to strategy and tactics: how do you turn the strategic goals into practical actions, it's the same here: what does the trusted advisor role mean for different units and people? What can we do today, what can we do this week, what can we do this month and so on. Otherwise it will remain as nothing but fluff that does no one any good." (Unit manager, business unit D)*

At the time of the study, the global finance function was preoccupied with finalizing the new operating model design. This was expected to impact the trusted advisor program until the organizational change was implemented and finalized. Still, even after the new structure of the finance function was known, the country finance manager did not have high hopes for the trusted advisor initiative to succeed, at least not on a global or regional level:

> *"Once the new organization is up and running, there is a danger that the trusted advisor role will once again be passed on to the local level as an idea with little substance. I might be wrong. But as we have discussed, the program has existed for several years and thus far little concreteness has been given about it. It could help [coming up with a local project to advance the trusted advisor role] to introduce this role to as many individuals as possible." (Country finance manager)*

Nevertheless, she saw that finance's role was already transforming due to the ongoing structural changes: more and more tasks were being moved to the service centers, directly affecting the responsibilities of the people that remained in the country. Regardless of the success of the trusted advisor role program thus far, the country finance manager saw that change towards a more business oriented advisor was inevitable for local finance employees:

> *"If you think about where our function [finance] is heading, if you are not capable of acting in the advisor role here locally, this will pose a serious challenge for you. Since what remains on a country level, it will become increasingly difficult just to do reporting." (Country finance manager)*

Overall, Tech Inc. Finland's management and finance leads were supportive of the discussed finance role transformation initiative, but so far not much was known about the program, and it had had a minimal impact on the day-to-day work of interviewed finance employees. Tech Inc. Finland's finance management saw that local level initiatives were needed to support the trusted advisor program, and as the finance function was reorganizing itself, employees' roles needed to change along with the organization. At minimum, employees on their own could explore the offered training material and supporting documentation. However, at the course of the research several barriers were identified that obstructed that work of finance and business managers, and prevented them from spending time with development projects such as working towards achieving the advisor role change. These will be presented next.

4.3.2. Barriers to Becoming a Trusted Advisor

One of the issues finance people faced was that they rarely had a clear understanding of what their business counterparts wanted to change in the way they were working: they lacked the input from business how the trusted advisor role should be constructed. Whether working in business unit or country finance, employees officially reported to a finance manager and thus,

most of their official development goals and measures were related to finance function specific goals. As the country finance manager explained:

> *"Part of our global finance unit's targets is directly linked to certain business outcomes, but on a very generic level. Our [organization's] approach has been that strategy is given top-down, which makes it necessary to start off with high-level goals. Then it is the responsibility of the manager and even the individual, whether they locally seek input from business on how to tie finance specific goals to local business unit needs. – Local level goals would then also depend on the type and quality of the feedback business units give to their respective Finance counterparties." (Country finance manager)*

Business and finance had few formal forums where specific development ideas were discussed and the yearly employee performance reviews were held between the subordinate and his/her finance people manager. Several of the interviewed finance leads hoped for an official process where business would periodically have to provide feedback to finance on how they were doing and how things could be improved going forward. So far, such practices did not exist.

Some of the finance managers saw that by changing the reporting lines from a manager coming from the finance function to their business partner, individual's goals would become better aligned with those of the business unit and employees would be better positioned to develop their roles. Following excerpt highlights the respondent's positive experiences of working in such a reporting model:

> *"Regarding the way we have organized ourselves, I used to work as a business controller in a different company. In that position, I was reporting directly to the manager of the IT infrastructure [unit]. I did not belong to the finance organization, instead my business partner was my official manager and I only had a dotted-line relationship to the finance community. The community itself only made it possible for me to do my job, that I had all the relevant tools available and that I attended the necessary training. But all my personal targets came directly from the business leader. This was highly motivating and steered me towards the right activities. Then came the organization change and I was moved to the controller group and now I only had a dotted-line [relationship] to business. It [the change] had some minor benefits, but only minor. I so much preferred the initial model where we were part of the business group." (Finance manager, business unit E)*

Not all of the finance employees agreed with this suggestion. Few worried about the type of support they would receive with topics that required finance subject matter expertise. In addition, officially reporting to the finance function was seen to allow the finance employees to remain neutral in situations, where complying with regulations might not please the business unit management. Tech Inc. had in the past tried a similar model, where business managers were simultaneously the people managers of the finance employees. However, due to mixed results the reporting model was changed to its current form:

"We have experimented with Finance people directly reporting to business managers. In such a model, the business unit goals are more tightly linked to the individuals targets. But I would still emphasize the role of the manager, and her characteristics. There are bound to be both advantages and disadvantages with both styles of reporting lines." (Country finance manager)

Tech Inc.'s complex matrix structure also frustrated people, both finance and business leads. Besides working with business unit and finance organizations, employees had to interact with various support organizations, functions and project teams. This took up employees' time, but also meant that achieving a given task might require coordination and collaboration between several separate stakeholders:

"There our fragmented structure becomes apparent. A lot of time is spent on communicating to our finance cluster, a lot of time is spent communicating to the centers, guiding the centers, a lot of time is spent on ad hoc queries coming from the business unit, especially if there are problems. In reality, time is divided between huge groups of people. And too little time is spent with the business unit manager. – The cooperation between Finance and the business unit should be based on the expectations of the unit manager and then again, what can be realistically delivered. And this model would then be distributed to the lower levels of the business unit structure. But, practice easily turns out to be something else." (Finance manager, business unit D)

The usefulness of request and goals originating from the regional level was also questioned. Several of the research participants noted how the targets coming from the higher hierarchical level were often in conflict with country level realities and moreover, seen as unreachable. Regarding the reporting requests, required information and format it had to be presented in changed frequently and finance and business managers often had to prioritize these reports at the expense of more valuable actions. Ultimately, due to top-down setting of strategy and targets, region's wishes needed to be followed:

"I don't think they [region] have any idea of who the end customer is, we only talk about reporting. This is frustrating and time consuming. They do not seem to understand what our actual role is. What I'd like to see happen is that region for once asked us here on the country level what we considered to add value, what benefits the customer. We need to move from focusing on the corporation to focusing on the customer."(Finance manager, business unit B)

Business managers saw the fractured organizational structure as an infinite source of requests and demands for which no clear motive was given. Thus, finance leads were expected to manage and control this multifaceted organizational field in an end-to-end manner, enabling the business manager to interact solely with the appointed finance manager:

"But what I would really like to change is that end-to-end finance would be handled well, that one person would manage and coordinate all finance related matters. For us, that would be our finance manager, who would have visibility all the way from the very source up until the end. Now, we have these vague silos out of which random stuff comes out every now and then." (Unit manager, business unit B)

Problem with managing the full environment related to the fact that finance leads had no formal management authority over people working for example in the service centers. Instead,

the centers had their own management structures and targets that were never disclosed nor clearly linked to any customer or business specific measures. As no clear management lines were defined between business units and the various support organizations, especially on a country level, the working environment had become difficult to efficiently operate in. As one business unit manager explained:

> *"Too many people are following the same measures and we need to simplify this process, agree on the fundamental KPIs and create the rules, that who, on which level, is responsible for what. Now we are all trying to hold on to the same ball and we are all very busy and effectively have little time to do anything. – At the moment, you could spend all the time you want in dealing with the issues."(Unit manager, business unit D)*

Regarding the service centers, finance people had mixed feelings towards their success. On one hand, centers had taken up a number of routine reporting and transaction related tasks, freeing up time for the local finance manager. On the other hand, transitioning these services took time and effort, and you never knew beforehand the qualifications of the individual to whom tasks were being moved to. Further, several business units had experienced issues with the high attrition rate of service center employees. At times, when employees left the center, no proper handover was given and Tech Inc. Finland's employees had to train the new service center worker themselves. As previously mentioned, service centers did not report to business units nor were their targets connected with business units'. This made it difficult for country level employees and managers to escalate issues and no real collaboration with center management existed.

The clearest result of the initiative to outsource tasks to service centers had been the reduction in country resources and roles. Success in moving tasks outside of the country determined whether remaining employees had more or less responsibilities than before. Similarly, resource changes due to the global structural changes often meant that people were handling several roles, either due to consolidation of roles or because no replacement for employees that had left the organization was allowed by the regional management. Lack of resources impacted especially Tech Inc. Finland's finance function:

> *"My current challenge is the many roles I have to take care of. What I would like to focus on would be more on proactive matters, now it's mainly about making sure the mandatory tasks are fulfilled. What this means is that for example actions aimed at developing our business are not performed. Background for this is the organizational changes. Along the new structure my current role will disappear, it has been proven that such a role is impossible to maintain and the tasks will be structured differently going forward." (Country finance manager)*

Among the common sources of frustration to both finance and business was the adequacy of the tools and systems supporting business unit operations. During recent years, Tech Inc. had invested in new enterprise resource planning systems and smaller toolsets intended to facilitate and simplify financial data collection and analysis. However, none of the introduced tools or processes provided the necessary features or ease-of-use that would allow the company's finance employees to move from data reporting to data interpretation. After the expensive investments, manual spreadsheets were still seen as the most efficient tool for finance employees. Further frustration was generated when regional management's requests were out of sync with the level of information provided by the systems:

> *"Business finance tools today are not adequate for the type of support they are meant to provide. For example, we are expected to forecast on a business segment level, while we cannot even get actuals in this format." (Country finance manager)*

Finally, due to the poor financial performance of Tech Inc., main concern of the organization currently was to focus on the short-term and improve productivity and profitability of its global operations. Concentrating on role development initiatives was far from being the number one priority, as quarterly results dominated the management focus. Simply put, the atmosphere prevailing in Tech Inc. did not support far reaching goals. This was also apparent in finance's global vision, when financial key indicators such as annual cash flow metrics were adopted as official measures for the progress made towards achieving the said vision. Through the top-down target setting, in practice each finance employee became thus partly measured how his/her work contributed to these enterprise level indicators. In describing how this situation impacted the business planning activities done in his business unit, one manager commented:

> *"At the moment, we prepare our operative plans per quarter. That's the reality of our business. Our medium term plans can only cover the next three to four quarters, as long as the market is what it is. We do keep in our back pockets plans for three to five-year-plans, but in practice 80-90% of the time you are looking at the next quarter because the market changes so fast. -- We first ensure our survival and then think about business planning on the side." (Unit manager, business unit D)*

Whereas the market conditions impacted the work of both business and finance professionals, the employee level development targets – specifically the ones related to the trusted advisor program – were only aimed at finance employees. As referenced earlier, their business partners did not participate in the target setting process and their involvement in the annual performance review process was limited to providing anonymous feedback to employees via pre-set templates. Interviewed finance leaders complained that due to this review process and

targets namely being set at regional level, the annual self-development goals did not motivate and support the goal of becoming a trusted advisor:

> *"In our last year targets, we had certain high-level target collections that were supposed to support our business: targets such as assisting our business to grow, solving our customers' issues more efficiently and focusing on timely and accurate invoicing for example. But regarding our upcoming targets [coming from regional level], they are split into these three columns that come from our finance vision. I'm not very satisfied especially with the targets associated with the goal of being a trusted advisor. They include items such as implementing a 3-year forecast, controlling our startup costs more carefully, constructing a full lifecycle model of our business and starting to report our service line profitability in detail. These are top management targeted goals, but how do you support our business and our customers? The connection with practice is missing." (Finance manager, business unit E)*

In summary, the trusted advisor change program had produced minimal results in Tech Inc. Finland. The level of awareness concerning the initiative among interviewees was considerably low. People who were more familiar with the role transformation scheme saw that little effort and investments from the regional and worldwide level were put into promoting the plan. Moreover, the surrounding conditions at Tech Inc., including the other ongoing reorganizations and structural changes, made it difficult for the employees to allocate time for role development efforts. Business and finance managers did agree that the goal of the program was commendable and noted that reaching the goals set for it would provide added value to the business-finance relationship. The trusted advisor program was an ongoing effort, but respondents noted that if the initiative was to make any concrete headway, local and regional changes to the way the program was led were needed.

Chapter 5 will now present the analysis of the case study. Empirical data collected will be explorer through the lens of the theoretical framework, that is, Kasurinen's (2002) change model. As per the second main research question of the thesis, following chapter will also examine whether the concept of the modern role of the management accountant fit Tech Inc. Finland's finance roles, and whether earlier case research findings regarding the role were observed in the case organization.

5. CASE ANALYSIS

Following subchapters focus around analyzing the two main research questions of the study: first, the existence and definition of management accountant's modern role. Intention is to reflect case study findings against prior research results as well as the definitions discovered in academic papers. Second, analyzing Tech Inc.'s role change program through Kasurinen's (2002) change model, paying specific attention to the barriers to change discovered in the case

study. Finally, based on the empirical findings, the last subchapter attempts to further develop Kasurinen's model.

5.1. TECH INC. AND FINANCE'S ROLE

Tech Inc. Finland has effectively split its accounting function in two: business unit finance is responsible for management accounting specific tasks such as performance evaluation, analysis and providing support for business planning and decision processes. Country finance and horizontal organizations such as tax and corporate treasury, on the contrary, manage financial and tax accounting related activities. Case study was focused on business unit finance positions, and understanding the characteristics of their current role.

One of the first findings of the field study was the discovery how important role routine and ad hoc reporting played in Tech Inc. Finland's finance community: employees were bombarded with requests from several different organizational levels and units, and the situation seemed to apply to all of the analyzed business units. Routine and statutory reporting (Burns & Baldvinsdottir, 2005) has been identified as a characteristic of the traditional management accountant's role. Tech Inc. Finland's management accountants were heavily involved in what Burns and Baldvinsdottir (2005, p. 738) reported as "clerical-type financial management": month end variance analysis and budgeting tasks. Business unit finance was also expected to assist controllership with statutory reporting, although such activities were only periodic and did not take up too much of business unit's time.

Due to the emphasis placed on reporting, understanding and managing Tech Inc.'s financial systems and tools became an important skill required of business unit finance employees. As Järvenpää (2007) notes, business oriented management accountants are expected to move beyond technical and purely financial matters, and more efficient reporting tools can support this goal. However, in Tech Inc.'s case, introduction of new systems only increased the complexity and difficulty of producing reports in the management mandated format. Tech Inc.'s business managers were not satisfied with the type of information available from the systems, and finance employees thus spend too much time manually correcting the data. Consequently, this further promoted the view that Tech Inc.'s finance people excelled at technical and process related skills. This methodological approach to producing and managing numbers is linked to the beancounter stereotype (Vaivio & Kokko, 2006; see also Pierce & O'Dea, 2003).

Considerable portion of reporting within Tech Inc. is aimed at the regional finance function, not business unit management. As finance spent significant amount of its time dealing with finance function related matters, it's small surprise that business management did not realize the full scope of their finance partners' responsibilities. In addition, business spent scarcely any time developing collaboration with their finance partners. Several of the finance partners stated that they did not completely understand what was expected of them or how they could better support the business unit. Shared understanding, between business and finance, of management accountants' role enables accountants to align their activities with organization's ongoing needs and adapt their role to current requirements (Chenhall & Langfield-Smith, 1998). For many of Tech Inc.'s business units, this was clearly missing. Pierce and O'Dea (2003) report that only through shared perception of management accountants' role organizations can achieve hoped for changes in the relationship.

Traditional management accountant works in a centralized function, independently of other functions. The set boundaries between finance and business and lack of ongoing interaction do not support the development of a business oriented accountant, who works in cross-functional teams, rather focus on functional expertise is associated with tendency to remain largely in an information provider role (Hopper, 1980; Ahrens, 1996). Tech Inc.'s business unit finance teams are decentralized and integrated into operational teams. However, as business unit finance officially reports to the finance organizations – compared to directly to the business unit – the centralized worldwide finance organization's impact to business unit finance's operations is still substantial. It curtails the business unit finance's autonomy and introduces an additional layer of complexity to the business unit management-business unit finance relationship.

Lambert and Sponem (2012) talk about the independence-involvement dilemma: essentially, management accountants need to retain their independence from operations in order to be able to act as an authority in compliance matters. This, however, negatively impacts their ability to function in a partnership capacity. A similar conflict is apparent in Tech Inc.: organization's overall goal is to promote involvement and partnerships. However, influence from the finance function coupled with statutory responsibilities relating to areas such as revenue recognition rules and SOX reporting requirements force finance employees to act as independent gatekeepers in situations, where business needs are clashing with regulatory policies.

Active communication by management accountants assists them to integrate into operational teams, and development of communication competencies are building blocks of the modern management accountant role (Granlund & Lukka, 1997; Vaivio & Kokko, 2006). Many of Tech Inc.'s business managers did call for improvements in this area, but simultaneously they did not manage to efficiently relay their own feedback back to their finance leaders. Instead, most of role development was left for the formal process running mostly outside the participation and control of the business managers.

Command over organization's business is a central requirement for management accountants to be able to function as part of cross-functional teams and moving beyond the purely financial world of traditional accounting (Pierce & O'Dea, 2003). Both Tech Inc.'s business and finance managers agreed that from an internal standpoint, finance managers had a sound understanding of the characteristics of the business unit they support. This was partly achieved through the close proximity – and thus, collaboration – between finance employees and their business partners. Pierce and O'Dea (2003; Lambert & Sponem, 2012) consider physical proximity to be a fundamental building block of business partnership and a tool to align the role expectations of the two parties. Interestingly then, it seemed the time business managers and finance employees worked together was spent solving current issues and preparing for known short-term challenges. Long-term strategic planning, including role development topics, was not brought up by either party.

In light of the above discussed characteristics of Tech Inc.'s management accountants' role, it appears to closely resemble the traditional management accountant role stereotype: production of financial information and especially working with financial systems is an important dimension of the role, individuals' strength is seen to be their technical skills and a clear perception gap exists between business managers' and finance managers' understanding of the management accounting role. Tech Inc. Finland's finance roles are not similar to one another, instead differences between business units impact the role, its focus areas and the business-finance partnership. This follows Lambert and Sponem's (2012) findings that organizational characteristics affect the role dynamics.

Tech Inc. finance realized that it wanted to change the profile and role of its finance employees. The introduced trusted advisor role appears to have been designed according to the normative calls reported in professional journals, business press and in academic papers. Trusted advisor is defined as a finance employee who has strong communication and soft

skills, is an expert in the finance profession, understands Tech Inc.'s business well and has moved from reporting historical data into giving strategic advice to his/her business partner. All in all, these attributes have been mentioned over and over again in case studies that have analyzed real life role transformation initiatives in different organizations (see for example Friedman & Lyne, 1997; Byrne & Pierce, 2007; Ma & Tayles, 2009). In terms of how Tech Inc. defines the modern (management) accountant role, findings from the case organization merely confirm the previously presented characteristics.

Thus, it seems the impact of managerial sources and especially professional publications (see for example Siegel & Sorensen, 1999; Parker, 2002) on the development of the said modern role have been and continue to be significant: literature review on the recent studies revealed the similarity of the role descriptions organizations have sought to attain. These roles close resemble the ideal stereotype advocated by associations and likewise bodies of management accountants. Besides, academic papers have only reported minor differences between the attributes associated to these business oriented management accountants.

Consequently, a recent study in Germany has linked the growing influence of professional training organizations, professional literature and even alleged management accounting "gurus" to the adoption rate of the business partner role in local firms (Goretzki et al., 2013), suggesting that part of today's trend of organizations striving to bring their management accounting and business professionals closer together stems from the sway of certain advocacy groups and organizations. For instance, Tech Inc. had initially used external consultancies for assistance in defining the metrics and KPIs used to measure the progress towards its finance vision, including also the "becoming a trusted advisor" dimension.

In addition, while recent academic studies have painted a fairly similar picture of the modern role of the management accountant, they have also confirmed that implementing such a role change does not always work, and not all individuals are even interested in changing the way they currently work in accounting positions. For example, Byrne and Pierce (2007) state that people have a natural self-orientation towards either the narrower accounting perspective or the broader business partner perspective. Changes in the external environment have been associated with countrywide decline in the number of accounting professionals classifying themselves as business advisors (De Loo et al., 2011). Burns and Baldvinsdottir's (2005) case study reports of business managers that started producing financial information for

themselves, and partly taking over the role of management accountants in the process, as they sought faster access to vital financial information.

Burns and Vaivio (2001) make a distinction between "normative claims of change" and change that has been substantiated by empirical evidence. Management accountants' role change as a phenomenon has a strong and vocal normative support in certain forums (Granlund & Lukka, 1998). The empirical evidence, though, remains mixed, reinforcing the impression that on a certain level, the talk of the business oriented role is a management fad: evidently, it does not suit all organizations nor are all management accountants prepared or required to adapt to the business partner mold. Additionally, as the example from Netherlands (De Loo et al., 2011) shows, change is not always linear. Rather, it is plausible that unforeseen events such as strategic shifts within the organization may for the change to backtrack and in cases, even reverse (Burns & Vaivio, 2001). This is descriptive of Tech Inc.'s situation, where external forces and the resulting strategic responses have had an substantial impact on the prioritization of internal change and improvement programs.

In case of Tech Inc., the trusted advisor program, as mentioned by the interviewees, does appear to be more of a top management whim than a credible change program. However, forces outside of the initiative have obliged the finance employees to reshape their role or risk being left without a place in the redesigned organization. The ongoing structural changes, such as the consolidation of reporting positions and outsourcing of tasks to service centers have necessitated the change – that is, finance employees need to adapt to the new requirements set upon the roles that remain on country level.

Tech Inc.'s trusted advisor program has not been successful so far, and the next section will analyze the reasons behind this lack of progress. As mentioned earlier, Kasurinen's (2002) change model is used as the framework to analyze the change supporting factors and barriers to change that impacted Tech Inc.'s role transformation initiative.

5.2. KASURINEN'S ACCOUNTING CHANGE MODEL

Kasurinen's (2002) change model incorporated the elements proposed in Innes and Mitchell's (1990) and Cobb et al.'s (1995) accounting change models into a single theoretical framework that can be used to describe and classify the supporting and hindering forces relating to an accounting change project. Previously, this framework has only been applied to studies relating to the adoption of a new management accounting practice or system. Using this

framework, following subchapters will presented the factors that impacted the success of Tech Inc.'s trusted advisor program, starting with the change supporting elements, that is, motivators, facilitators, catalysts, momentum and leaders, all of which combined create the potential for change.

5.2.1. Motivators

As Innes and Mitchell's (1990) model describes, motivators are the principle reason why organization's embark on a change journey. For Tech Inc., the motivator behind the trusted advisor program was the cost-to-revenue metric that is used to gauge the finance organization's performance. Companywide training and self-development programs are a clear way to look for productivity gains in a situation, where the function's budget is dependent on the firm's overall performance. As introduced in the earlier chapter, competition in the IT sector has intensified in the recent years, putting pressure on the industry to cut costs, including from supporting functions such as finance. Changes in market conditions as well as construct of internal performance systems are seen as factors encouraging firms to seek change in the roles of their management accountants (Byrne & Pierce, 2007).

From Tech Inc. Finland's perspective, the motivator to embark on the change journey was the top-down target, strategy and vision setting process: people managers saw the trusted advisor program included in their organizational goals, whereas individual finance employees, depending on how much emphasis their managers put on this particular role initiative, could have becoming a trusted advisor listed as one of their personal development goals. Innes and Mitchell (1990) note that motivators by themselves are not enough to result in change. Considering the low level of awareness among Tech Inc.'s employees of the trusted advisor program, it can be assessed that this particular change advancing force was not substantially strong on the local, country level.

5.2.2. Facilitators

Facilitators are factors that make change possible, such as the availability of resources and supporting IT systems and tools. In essence, they facilitate the overall change process (Innes & Mitchell, 1990). It is also suggested that realization of actual change cannot occur unless necessary facilitators in the organizational context exist (Kasurinen, 2002). At the local level, the case company had insufficient facilitators to support the role change: resourcing in the finance function was decreasing and inadequate financial systems took up too much of employees' time. Management accountants' work is still often reliant on financial data, and

several case studies have linked IT and financial systems as either important facilitators or barriers that impact role change projects (see for example Byrne & Pierce, 2007; Järvenpää, 2007; Ma & Tayles, 2009).

However, Tech Inc.'s business unit finance, which was the main focus of this thesis, did have existing, good access to their business partners. Further, based on the interview material finance employees wanted to become more business oriented and were willing to invest in becoming trusted advisors for the business. Local country finance management (as well as the worldwide organization to a certain extent) also supported and facilitated the role change initiative by arranging training workshops, internal meetings and theme events that were directly or partly linked to the trusted advisor goal. On a worldwide level, guidance from external consultancies had a substantial impact on the design, content and monitoring of the trusted advisor initiative, similarly as the discussed influence of professional advocacy and consultancy organizations (see Goretzki et al., 2013).

5.2.3. Catalysts

Two clear change catalysts emerged in the case study: firstly, Tech Inc.'s deteriorating financial performance directly impacted the finance function's global budget, putting pressure on achieving cost savings through productivity initiatives. Secondly, the launched finance's operating model redesign, although not directly linked to the trusted advisor program, reshaped the role requirements of country level finance employees. As certain tasks were moved to the service centers and positions consolidated between countries, the need to change suddenly became a reality to business unit (and country) finance employees. Out of the two catalysts, the structural change program clearly had a more direct impact, both on a worldwide and local level.

Innes and Mitchell (1990) see catalysts as change advancing forces that can closely be linked to the timing of the change. The view that change, once started, will inevitably occur has been criticized (see Cobb et al., 1995; Kasurinen, 2002). Considering the case organization, the catalysts mainly increased the pressure to change, but did not result in immediate concrete changes. Moreover, the operating model redesign, ultimately a competing internal change project, can even be seen to overlap – and be in conflict – with the aims of the trusted advisor program.

5.2.4. Momentum

Cobb et al. (1995) introduced the concept of (change) momentum, which relates to the ongoing effort of individuals to support the change initiative and work against barriers that hinder the process. In light of the comments made by Tech Inc. Finland's finance employees regarding how they saw the trusted advisor program in their daily lives, change momentum in the case firm was largely missing. At the local level, focus was mainly on operational matters. At the worldwide level, momentum behind the role transformation project was mostly superficial, and became visible to the global (finance) organization through vision statements, announcements of yearly targets and internal coffee talks.

Decisions of corporate top management are an important change driver for subsidiaries (Yazdifar & Tsamenyi, 2005). As Tech Inc.'s (finance) top management did not actively support the role transformation, responsibility for advancing the initiative was mostly left for the Finnish subsidiary. Interviewees agreed that a local program structure could assists with implementing the trusted advisor role, but so far little progress had been made in terms of taking action. Simultaneously, other change programs such as the organizational restructuring efforts were actively supported by regional and worldwide management, suggesting that change momentum within Tech Inc. was fully directed at the highest priority change initiatives.

5.2.5. Leaders

Cobb et al. (1995, p. 172) stress the importance of having leaders, that is, change champions advancing the organizational change programs. Following quote from their case study summarized this argument:

> *"The process of change can only happen through people, even if the vital elements of motivators, catalysts and facilitators are in place, change will not occur without commitment through the management process."*

Kasurinen (2002) highlights how different employee groups and hierarchical levels see change differently: for example, whereas managers see change as an improvement opportunity, employees and middle managers often see change as a negative, unwelcomed event. When the role change program at Tech Inc. is analyzed from several perspectives, differences between change leadership can be observed. Firstly, on a worldwide level the trusted advisor program is led by the CFO. Her visibility, however, on the country level is modest at best. The country finance manager acts as the subsidiary's official change

champion, making sure the trusted advisor goal is kept on the finance community's agenda. Her influence on the success of the initiative is far larger than that of the CFO's.

Surprisingly, the most active change leader discovered in the case organization was one of the interviewed business managers: with his leadership, the business unit had taken concrete steps to define the new, business oriented role of the unit finance manager. Unit had also started working on a performance measurement system to track how the role implementation was progressing. Not surprisingly, though, the manager admitted that work on the trusted advisor program was not completed, and currently the business unit focused on short-term operational matters. This highlights the non-linearity of the change program (Vaivio, 1999), as business unit and hierarchical level prioritizes move and shift according to the changes in internal and external conditions.

5.2.6. Potential for Change

In Kasurinen's (2002) revised accounting change model, motivators, facilitators, catalysts, momentum and leaders converge to form the potential for change, the sum of change advancing forces that drive the change program towards completion. **Table 4** summarizes these forces observed within Tech Inc. and its Finnish subsidiary:

Motivators	Facilitators	Catalysts
- Increasing industry competition - Finance's performance measurement system	- Decentralized finance organization - External consultancies	- Poor corporate financial performance - Announced structural changes

Momentum	Leaders
- Corporate communication related to finance's vision	- One country business unit manager - Country finance manager - CFO

Table 4: Summary of advancing change forces at Tech Inc.

Overall, the factors are aligned with elements reported in studies utilizing similar change model categorizations (see for example Innes & Mitchell, 1990; Cobb et al., 1995; Kasurinen, 2002): external aspects such as industry competition have been often mentioned as motivators and catalysts for accounting change projects. Factors that related to Tech Inc.'s internal organization and conditions are naturally more specific to the case study and organization.

Main finding of the analysis on the advancing forces reveals that in general, the trusted advisor program was externally motivated and driven forward mainly by people in management position, progress on the individual employee level (in Tech Inc. Finland's context) was not observed. Considering the lack of practical achievements the role transformation program has had, the potential for change in Tech Inc. and its examined subsidiary can be considered weak. In addition to the lack of change promoting elements, Tech Inc.'s change program faced several barriers as well. These barriers to role change will be discussed in the following section. Structure of the analysis will follow Kasurinen's (2002) accounting change model and barriers are consequently categorized in three groups: confusers, frustrators and delayers.

5.3. BARRIERS TO ROLE CHANGE

Prior academic studies have confirmed a multitude of barriers that prevent organizations from successfully transforming the role of its management accountants. Whereas Kasurinen's (2002) model thus far has only been utilized in analyzing barriers that relate to accounting practice change projects, this thesis will contribute to the framework by applying it to the trusted advisor program, dealing with the more subjective topic of role transformation. Results from prior case studies will used as reference to confirm whether previously observed barriers impacted the case organization as well.

5.3.1. Confusers

The trusted advisor program was launched as part of the global finance department's vision, and said to become a direct target for all Tech Inc.'s finance employees. The initial commitment to the program and its grand unveiling have been replaced by uncertainty among employees whether the program is still running, and awareness of the initiative in the studied case organization was considerably low. It was unclear whether the program should be considered as a priority initiative, and this confusion was only exacerbated by the lack of investments and ongoing monitoring linked to it. Kasurinen (2002) notes in his case study how similar confusion regarding the internal status and priority of the change program became a barrier for its progress.

Similarly, misalignment between role perceptions can be considered as a confuser in the case setting: business managers did not effectively communicate their needs to the finance lead, and no formal process where finance and business could co-develop finance's role existed. Several researchers have reported of the existence of this barrier: for example, Byrne and

Pierce (2007) remarked how conflicting views of the management accountants' role led to management accountants being excluded from operational teams. Pierce and O'Dea's (2003) paper concluded that management accountants' business orientation can only be realized through aligning the perception gaps within the business-finance partnership. Lastly, Lambert and Sponem (2012) state that any change in management accountant's role needs to be mutually agreed between both parties of the dual relationship. This thesis confirms the past research results that for role change projects, open communication and influence from both business and finance employees is needed to ensure the legitimacy and potential for success of the project.

Another clear confuser observed in the case context was the disconnection between the short-term focus on operational matters prevalent in Tech Inc., versus the expectation that trusted advisors would move their focus from tactical to strategic topics. As asserted by the interviews, Tech Inc.'s main focus was on survival and improving its performance. Granlund and Lukka (1998) warn against normative change projects and urge organization's management to consider whether seeking to promote the business orientation of its management accountants is a relevant course of action considering its internal and external environment. It can be argued that at the time of the research, Tech Inc. in reality did not need trusted advisors but effective cost controllers and financial gatekeepers.

Finally, how the trusted advisor program is officially tracked at Tech Inc. is creating confusion among its finance employees: becoming a trusted advisor is part of finance's global vision and as such, included in the organization's annual targets. On the individual level, on the other hand, employee's direct manager defines the importance and weight placed on the program – in certain cases employee's targets have no link to the role initiative. Analogous to Lambert and Sponem's (2012) notion that in a matrix organization demands originating from different functions and levels can create conflicts, Tech Inc.'s target setting process can create situations where individual's targets are not aligned with the global finance vision and its objectives.

5.3.2. Frustrators

Kasurinen (2002) defines frustrators as factors that seek to suppress change initiatives, for example due to existing conflicts of interest. He lists complex project environment as an example: lack of coordination between projects becomes a barrier to change, as time is spent on working in various project with no clear alignment between the initiatives. This example

applies directly to Tech Inc., where large scale structural change projects became direct competitors to the trusted advisor program, competing for the same resources, investments and organizational attention.

Tech Inc.'s organizational structure and the firm's sheer size also add complexity to the change environment. Coordination and leadership conflicts are typical of structures where employees are subjected to both functional and hierarchical reporting lines (Lambert & Sponem, 2012). Interviewed employees confirmed that regional, functional and business unit specific reporting lines and management structures often had conflicting aims and needs, leading a source of frustration that prevented employees from working efficiently. This structural barrier has close ties with above mentioned issues with target setting and role perception.

Improvements in accounting systems, tools and practices have been linked to increase in management accountant's business orientation (Friedman & Lyne, 1997; Järvenpää, 2001). However, for Tech Inc. this change enabler had become a significant frustrator: finance employees were expected to spend more time supporting business and providing advices, whereas in reality they struggled – and spend time – with inadequate financial systems that did not produce the type of information that higher management demanded. This inability to serve the needs of business unit management was barrier that was raised by all of the interviewed business and finance managers.

Moving tasks to its service centers was part of Tech Inc. finance's structural changes that were still underway during the time of the field study. As discussed earlier, this trend became a catalyst for finance employees to reshape their roles, and the trusted advisor program offered the template towards which the organization's employees should strive for. Prior research has confirmed that such moves can free management accountants to focus on more value-adding tasks as routine activities are outsourced (Herbert & Seal, 2012). Nonetheless, interacting with the service centers was not without its difficulties: several of Tech Inc. Finland's finance employees reported that outsourcing tasks had in fact increased their workload. New service center employees needed to be trained, the communication and coordination between centers and country level employees was not working effectively and a high attrition rate meant center contacts changed often, bringing out its own issues. Service centers' effect on the role of management accountants is an emerging research topic (See for example Smith et al., 2005; Herbert & Seal, 2012). Based on the evidence from Tech Inc.

Finland, service centers can also be a potential barrier for management accountants' modern, business oriented role.

5.3.3. Delayers

Delayers are described as temporary and usually technical in nature (Kasurinen, 2002). Instead of suffering from technical issues, a number of pending actions and decisions delayed Tech Inc. Finland's finance employees from adopting a more of a business oriented advisor role. Firstly, the agreement on the finance positions, and their official role descriptions, that remained in country was not yet final and employees did not know whether their position would remain and what kind of responsibilities would they have. Some roles had become virtual, where the business partner was situated in another country and most of the interaction was through IT communication tools. Management accountant's physical proximity to his/her business partner not only supports relationship development, but enables fast turnaround times and timely feedback between both parties (Burns & Baldvinsdottir, 2005). As one interviewed employee commented about his current virtual working environment, keeping in touch with and updating business had become more difficult as you could no longer deal with matters face-to-face.

In addition, the amount of routine reporting they dealt with frustrated the finance employees. Järvenpää (2001) argues that routine reporting activities associated with the traditional management accounting role are a barrier to the adoption of the advisor role. Similarly, Maas and Matêjka (2009) find that too much emphasis placed on functional activities adversely impacts one's capability to provide decision-making support to business management. The high number of monthly reporting tasks coupled with the statutory responsibilities of the business unit finance employees directly translated to less availability to deal with operational matters.

Finally, recent regulatory changes, such as the introduction of SOX, have been reported to increase the reporting orientation of management accountants, regardless of their "built-in" role (see for example Byrne & Pierce, 2007; De Loo et al., 2011). This phenomenon closely linked to the amount of reporting and statutory tasks that management accountants face, impacts Tech Inc. as well, as it is headquartered in the United States. However, until the decisions regarding the finance organizations new operating model are finalized, the impact of Tech Inc.'s regulatory environment are difficult to interpret.

Numerous barriers to role change were observed in the case organization. Taking into account the discussed change advancing forces and their relatively modest impact on the trusted advisor program, it becomes evident why interviewed Tech Inc. Finland's employees saw the success of the role transformation project as minimal. As to the barriers, in a summary it can be stated that they closely resemble barriers previously reported in academic studies. Considering the summary of these barriers presented in chapter 2 and the analysis of the case discussed here, this thesis contributes to the current academic literature by compiling a recent overview of the barriers related to role change projects aimed at management accountants. Summary of the barriers related to Tech Inc.'s case are presented in **Table 5.**

Confusers		Frustrators		Delayers
▪ Change program's internal importance ▪ Role misperceptions ▪ Focus on short-term operational matters ▪ No ongoing monitoring		▪ Competing change projects ▪ Matrix organization's reporting lines ▪ Inadequate IT and financial systems ▪ Interaction with service centers		▪ Finance's new operating model not finalized ▪ Amount of routine reporting and statutory tasks ▪ Virtual partnerships

Table 5: Summary of barriers to role change at Tech Inc.

As referenced earlier, this study is the first attempt at applying Kasurinen's (2002) revised accounting change model into a role change project. The usage of the framework to analyze the collected empirical evidence highlighted a few inadequacies in the context of this particular case study and consequently, next subchapter will present a re-evaluated version of the framework that the researcher considers more suitable to assess the case findings.

5.4. RE-EVALUATING THE ACCOUNTING CHANGE MODEL

Kasurinen's (2002) revised accounting change model offers a systematic and clear model for assessing the change advancing and hindering forces related to an accounting change project. However, when applied to a role change project, where impact is not limited to the entities and individuals that adopt the change, but to their stakeholders as well, the framework's construct appears limited. Furthermore, although the case scope was limited to one subsidiary of a multinational corporation, it was clear that the enterprise level factors had a substantial

impact on the success of the change project. The stakeholder perspective, complexity of the organizational structure and the observed barriers necessitated two separate additions to the accounting change model:

1) Expanding the framework to support analysis on several dimensions simultaneously
2) Introduction of the **change portfolio** concept

Following subchapters will present these proposed changes in more detail.

5.4.1. Multilevel Accounting Change Model

Kasurinen's (2002) original accounting change model assumed that all factors, regardless of the part of the organization they originated from, could be presented in a single framework, "hiding" the underlying source of the issue. Importance was placed on the categorization of the element, not to which part of the organization it pertained to.

However, change advancing and hindering – that is, barriers – forces can be dispersed and linked to various parts of the organization. For example, in Tech Inc.'s case the main motivation and reasoning behind the launch of the trusted advisor program were closely associated with external conditions and the way the worldwide organization tracked its performance. Then again, in terms of supporting the change initiative, much of the responsibility was left at the subsidiary level and top management behind the change project lost importance and clout.

In order to provide a framework, which allows analysis to be conducted per different groups of stakeholders and organizations, it is proposed that Kasurinen's (2002) change model will be amended by dividing it into three separate levels:

1) Organizational level
2) Change adopter level
3) Stakeholder level

Organizational level represents the hierarchical unit in charge of the change project, as well as organizational factors such as structure, reporting lines, performance measurement systems, strategy and even external events that require the organization to adjust its operations.

Change adopter level, on the other hand, is defined as the individual, group, hierarchical level or organization that is the intended target of the change program. For example, when discussing management accountants' modern role and change projects aimed at changing it, management accountants would become the change adopters. This separation between the organization – in essence, the change initiator – and the change project target facilitates analyzing and presenting models where these two levels are clearly separated.

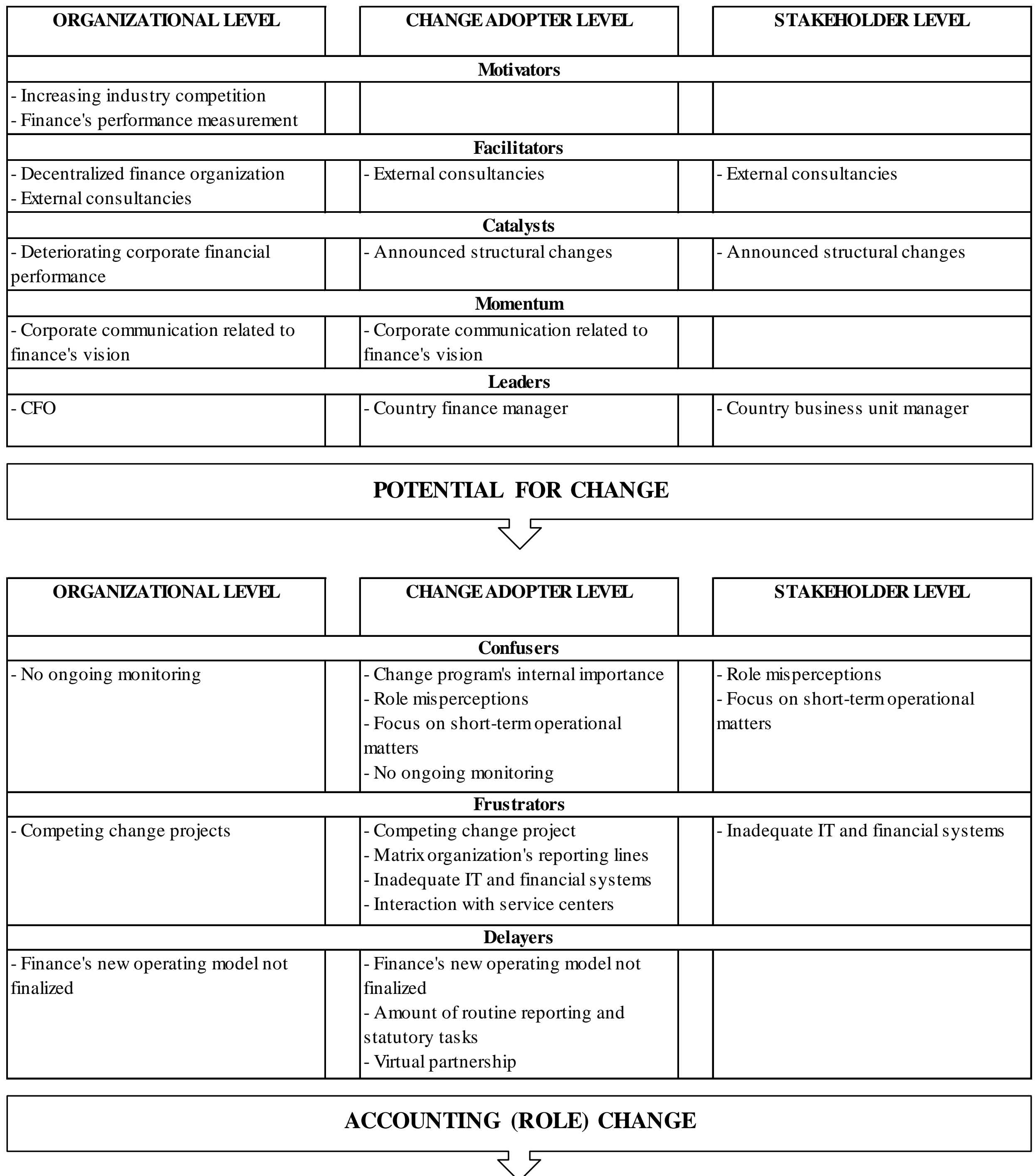
Stakeholder level relates to the observation that stakeholders in role change projects are vital participants of the change process. Modern role of the management accountant is often defined as a partnership with operational and business functions. Thus, individual role becomes a construct of dialogue where the stakeholder – that is, the business partner for example – is no longer an observer but and influencer of the change objectives.

As mentioned, extending the theoretical framework over several distinct levels draws out the dimensional relationship between change factors. Further, in complex environments, where it is not feasible to carry out an all-encompassing study – for example due to issues with access to the organization - researchers can make the decision to focus on one specific area identified in the multilevel change model. From a practical perspective, being able to categorize elements according to their organizational background will assist in directing attention towards correct parts of the organization. As an example, in a parent-subsidiary relationship the local subsidiary often has limited powers to influence its parent company. In such a situation, it will be valuable to be able to distinguish between subsidiary specific and parent specific factors impact an existing change project.

By applying the re-evaluated change model to the case organization, issues hindering the trusted advisor program can be analyzed in a new light. On the organizational level, the initiative was based on corporate decision that was motivated by both external and internal considerations. On the change adopter and stakeholder (business management) levels, the main catalyst behind the role transformation need was the structural changes that were given top-down and to which these groups had no control over. Overall, the enterprise lacked ongoing support for the program, with main responsibilities being divided between the country level (change) leaders and the CFO, whose influence over country level was minimal.

From the barriers perspective, evidently lion's share of the barriers related to the daily work of the business unit finance employees: routine reporting, statutory tasks, interaction with

service centers and confusion regarding the importance of the trusted advisor program and finalized operating model design being implemented in the worldwide finance organization. Another main barrier to change was shared between the adopter and stakeholder levels: role misperceptions meant that there was no mutual understanding over what the trusted advisor role would entail, and thus finance employees were unable to focus on development areas that their business partners saw as the most valuable for their business unit.



ORGANIZATIONAL LEVEL	CHANGE ADOPTER LEVEL	STAKEHOLDER LEVEL
Motivators		
- Increasing industry competition - Finance's performance measurement		
Facilitators		
- Decentralized finance organization - External consultancies	- External consultancies	- External consultancies
Catalysts		
- Deteriorating corporate financial performance	- Announced structural changes	- Announced structural changes
Momentum		
- Corporate communication related to finance's vision	- Corporate communication related to finance's vision	
Leaders		
- CFO	- Country finance manager	- Country business unit manager

POTENTIAL FOR CHANGE

ORGANIZATIONAL LEVEL	CHANGE ADOPTER LEVEL	STAKEHOLDER LEVEL
Confusers		
- No ongoing monitoring	- Change program's internal importance - Role misperceptions - Focus on short-term operational matters - No ongoing monitoring	- Role misperceptions - Focus on short-term operational matters
Frustrators		
- Competing change projects	- Competing change project - Matrix organization's reporting lines - Inadequate IT and financial systems - Interaction with service centers	- Inadequate IT and financial systems
Delayers		
- Finance's new operating model not finalized	- Finance's new operating model not finalized - Amount of routine reporting and statutory tasks - Virtual partnership	

ACCOUNTING (ROLE) CHANGE

Figure 5 Multilevel Accounting Change Model

Figure 5 presents the multilevel accounting change model applied to the trusted advisor program case study.

Tech Inc. Finland has no influence over the enterprise level decisions, one of which the trusted advisor program is an example of. However, by utilizing the multilevel accounting

change model as depicted above, the limited number of change advancing forces that exist at the local – change adopter and stakeholder – level is clear. Thus, as mentioned by several of the interviewees, one option for Tech Inc. Finland to promote the trusted advisor program would be to create a country level action plan to support the role transformation.

Proposed multilevel accounting change model is based on the empirical evidence gathered in a single case study. As such, it cannot be applied to all research and field study contexts. Instead, the re-evaluated framework offers a theoretical framework for studies that focus on the topic of role change in structurally complex settings. For instance, regarding studies where the change project is initiated, carried out and its results evaluated in a single organization, the multilevel model may not offer additional benefits to the scholar interested in analyzing the change factors behind the project.

In addition to the proposed change model, this thesis suggests a further refinement to the role change research agenda, that is to say the concept of change portfolio. This term and its definition in the context of this thesis will be introduced in the following section.

5.4.1. Change Portfolio

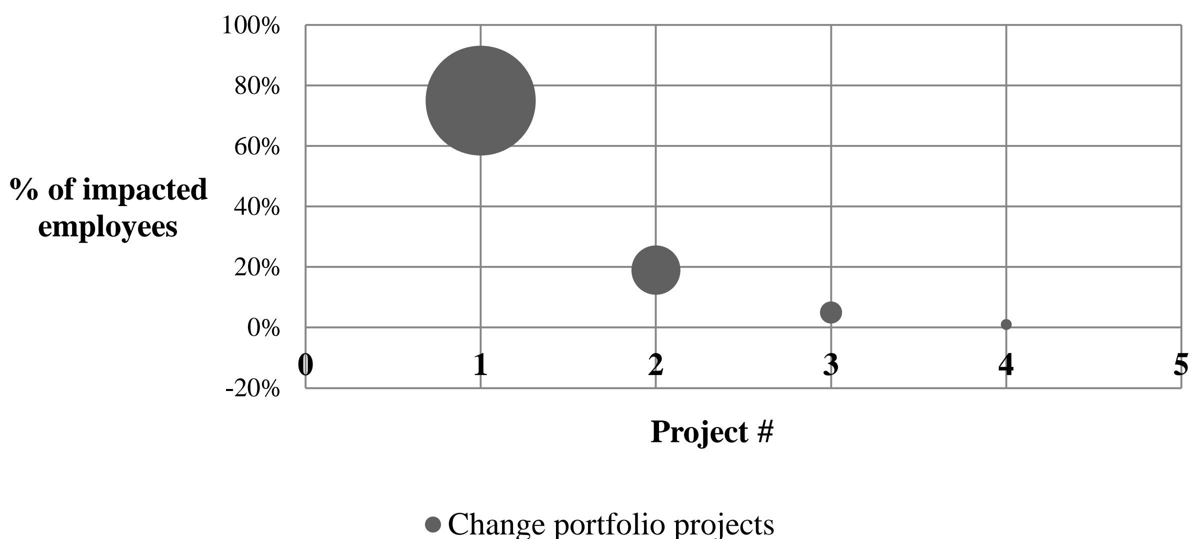
Tech Inc. ran several change projects simultaneously, and eventually the companywide structural changes programs seemed to overshadow the examined trusted advisor initiative. Kasurinen (2002, p. 334) identifies "complex project environment", consisting of conflicting and competing projects, as one significant barrier to change. Vaivio (1999) states that change processes seldom follow a linear path, instead organization's actively abort, revise and re-launch change programs. Researchers have identified several sources of shocks and unanticipated events that often require sudden and drastic reactions from organizations (Byrne & Pierce, 2007). It is thus small wonder that change projects do not operate in a vacuum, but rather coexist in a project ecosystem subject to ongoing change.

Reviewed accounting change models (See Innes & Mitchell, 1990; Cobb et al, 1995; Kasurinen, 2002) are all static in the sense that they do not see place the examined change project in the larger change portfolio context, rather the connection to other running projects is only made when this connection creates clear, explicit consequences for the change project that is the focus of the study. Reflecting back to the case organization, an understanding of the relationships between the trusted advisor program, the larger finance operating model redesign initiative and other structural change programs Tech Inc. worked on would have

assisted in understanding the observed barriers as well as assessing the importance the organization placed on the role change project. From the organization's perspective, planning and following large-scale change projects as part of a portfolio would facilitate anticipating impacts of making modifications to the companywide change environment.

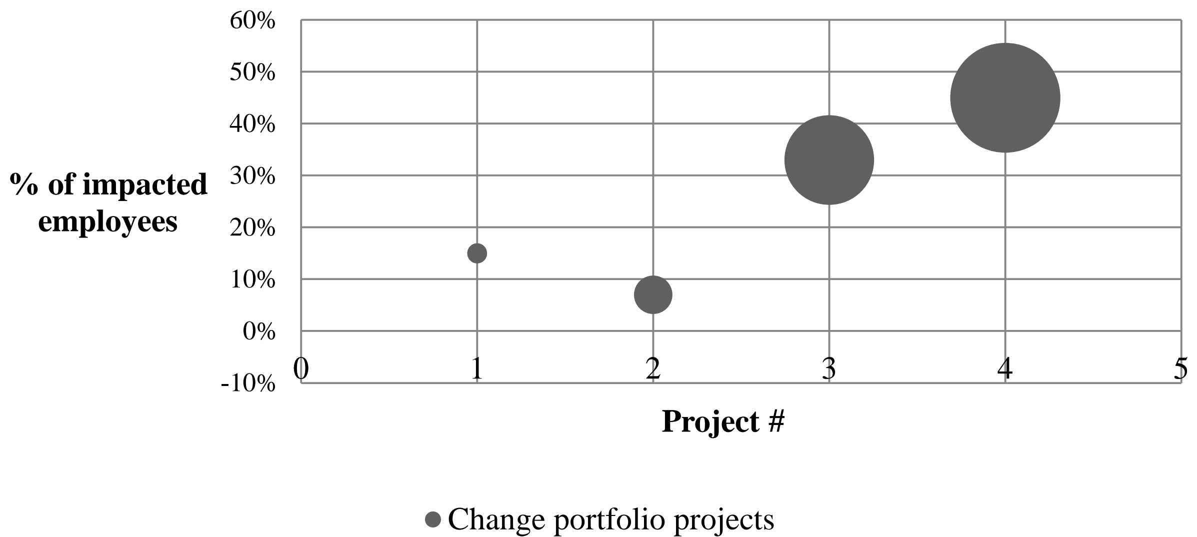
Consequently, this thesis proposes a practical analysis layer for research projects that target complex organizations known to operate several significant change projects simultaneously. Although not an original term, this approach is titled as **change portfolio** in the context of this study. This portfolio, consisting of the monitored change schemes, is neither static nor linear in nature. Instead, researchers (and practitioners) should analyze the change portfolio at given intervals and assess how the relevant importance, priority and resourcing of selected projects has developed.

Graph 1 and 2 visually depict assumed changes in Tech Inc.'s change portfolio from the launch of the 2008 finance vision until the end of the research period. In the initial situation, when Tech Inc. launched the new finance vision, the trusted advisor program (project number 1) is assumed to be a vital internal change program: it is backed up with investments allocated to the vision initiative (represented by the size of the bubble) and it impacts a large number of Tech Inc.'s employees (represented by the y-axis on the graph).



Graph 1: Tech Inc.'s change portfolio at the beginning of 2008.

Graph 2 depicts Tech Inc.'s situation at the end of 2012: other change projects such as finance's new operating model and the launched merger of two of the company's business have become more important in the firm's change portfolio: the growth in the bubbles represents new funding allocated to these projects, and a larger number of employees are starting to see the change effects originating from them. However, trusted advisor program has lost visibility, resourcing and as a fewer number of people are aware of the program, its impact to business has also diminished.



Graph 2: Tech Inc.'s change portfolio at the end of 2012.

Proposed change portfolio concept relies on the assumption that changes are often nonlinear and part of larger change project ecosystems: it is thus almost inevitable that projects will come into contact with one another with unexpected consequences. Past research has already confirmed how internally competing projects can become a barrier to change (see for example Kasurinen, 2002). Nonetheless, analyzing change projects through the change portfolio perspective does not benefit all research settings. In the context of this case study, the empirical evidence pointed out the important role of competing internal change projects to the success of the investigated transformation initiative.

Last section of this chapter will summarize the findings of the case study. Following, concluding chapter focuses on the thesis' conclusions, main research findings and recommendations for future research.

5.5. SUMMARY OF THESIS' FINDINGS

This thesis had two main research questions: Firstly, whether the modern role of management accountant exists and can such a role be defined. Secondly, it set out to analyze how the ongoing role transformation project impacted Tech Inc. Finland's finance and business employees, and examine the factors affecting the change project. Emphasis was placed on observed barriers to change.

Academic literature review confirmed substantial differences between the so-called traditional and modern management accountant roles: latter role is seen to be characterized by routine reporting, a centralized and independent finance function that seldom interacts with other functions, and emphasis on technical skills. Former, on the other hand, is seen as a business partner, focusing on communication skills, giving strategic advices to operations and integrating itself into cross-functional teams. However, no exact definition of the modern role could be formulated based on the research findings.

Tech Inc.'s global role transformation project aimed at reshaping its finance employees' roles. Objective was that finance would become a trusted advisor to business, a role definition that incorporated several of the "modern" role elements presented in academic, business and professional literature. However, to date, this role change project has made no real progress and in general, interviewed employees were not even aware of the program, its goals or content.

Kasurinen's (2002) revised accounting change model was used as the theoretical framework for the analysis of the change factors impact the trusted advisor program. Various barriers to change were observed. Findings supported the results of past case studies, but also contributed to the known barriers to role change. Literature on this topic remains still underdeveloped.

Based on the case study, a multilevel accounting change model was proposed. This framework aimed at researching role change projects, is based on Kasurinen's (2002) revised model. It makes distinction between organizational, change adopter and stakeholder level change factors. Further, researcher suggested, for complex change project environments, that analysis would take into consideration the change portfolio perspective. This perspective assumes that organizations are running several change projects simultaneously, each one of the projects potentially impacting the other projects.

Following chapter will conclude the thesis. It focuses on the main research findings- Limitations of the study, potential topics for future research and managerial considerations are also discussed.

6. CONCLUSIONS

This chapter presents the main research findings of thesis. Subsequently, limitations of the research will be briefly discussed, followed by recommendations for future research topics. Finally, thesis closes with a section presenting the managerial considerations that stemmed from the research.

6.1. MAIN RESEARCH FINDINGS

In recent years, academic studies, professional literature and publications from professional advocacy groups have referred to management accountant's modern role. Various characteristics have been associated with this role, ranging from extrovert business consultants to strategic co-pilots. Terms such as "beancounter" (Friedman & Lyne, 1997) "book-keeper" (Hopper, 1980) have been used to describe a traditional management account preoccupied with routine reporting with little or no value to business. However, based on the literature review and empirical findings of the case study, this thesis argues that no exact definition for the modern role of the management accountant can be defined.

Academic studies have confirmed the existence of a wide variety of roles for management accountants, ranging from pure reporters to strategic advisors (see for example Lambert & Sponem, 2012). A distinction between the reporting and advising dimensions can be made, but the range of characteristics presented in studies confirms the substantial impact contextual, individual and environmental differences will have on management accountants' role definition. Instead of offering researchers and practitioners a role template, the modern role term becomes more of shorthand for management accountants who develop their presentation and communication skills, and their ability to combine their awareness for business and expertise with financial data to produce insightful advice to their business partners.

Lambert and Sponem (2012) call the modern role a "myth". As such, it is to be expected that roles such as the "hybrid accountant" will continue to describe management accountants' actual role, that is, a mixture of responsibilities defined by the needs and characteristics of the

organization they belong to and their individual and personal strengths (Burns & Baldvinsdottir, 2005). Organizations should also understand the normative background of the calls for more business orientation (Vaivio, 1999; Goretzki et al., 2013): role change projects should always be based on organizational requirements and conditions, not to trends advertised in trade journals or professional literature.

Role change projects of the past have had mixed results: some organizations reported added value from trying to strengthen the business orientation of their management accountants (Friedman & Lyne, 1997), others have had varied results (Byrne & Pierce, 2007) while various project have also failed, producing no change in the role of management accountants (Burns & Baldvinsdottir, 2005). Change projects, including the ones that target to shape organizational roles, are prone to failure and success is seldom guaranteed. Consequently, prior studies have listed several reasons why role change projects have produced suboptimal results. This thesis contributes to the existing literature on barriers to change by providing a summary of the previously reported barriers, as well as focusing on the barriers observed in the Tech Inc. Finland case. Consequently, role of Tech Inc. Finland's management accountants had not changed as a result of the trusted advisor program, namely due to the existing barriers to change.

Study on the barriers to role change, especially in the context of management accounting, is a developing branch of academic research. As the reviewed accounting change models (Innes & Mitchell, 1990; Cobb et al., 1995; Kasurinen, 2002) show, change projects are subject to various forces and many of these hinder or even prevent change. This thesis provides an updated overview of these change preventing forces, which can be used as a basis for future research on role change projects.

Out of the observed barriers, especially the relationship between management accountants and their business partners proved to be significant: whereas role change by definition will also impact the role's collaboration with its stakeholders, business and finance managers at Tech Inc. Finland did not actively work on defining a mutual understanding of the new role's responsibilities and focus areas. In a situation where the role change aims at improving the partnership between business and finance, it is essential that both parties agree on the role definition. Role misperceptions are a notable source of conflicts and an often mentioned barrier to (role) change (Pierce & O'Dea, 2003).

This case study was the first attempt at utilizing Kasurinen's (2002) revised accounting change model in a role change project context – previous studies that have used the framework have focused on changes in accounting systems or practices. Case study brought out a few limitations associated with the model: firstly, in a complex research setting, such as Tech Inc.'s multinational matrix structure, the change framework does not fully take into account from which part of the organization certain change impacting factors originate from, or which parts of the organization are affected by these forces. Secondly, Kasurinen's likewise to the other presented change models (see Innes & Mitchell, 1990; Cobb et al., 1995) did not explicitly account for the complex relationship between simultaneously running change project. For the purposes of the thesis, this perspective is labeled as the change portfolio.

To improve upon the used change model, a multilevel accounting change model is proposed. Building upon the model introduced by Kasurinen (2002), the multilevel framework is based on analyzing the existing change factor categorizes – that is, motivators, facilitators, catalysts, momentum, leaders, confusers, frustrators and delayers – on three separate levels: organizational, change adapter and stakeholder levels.

Organizational level consists of the companywide factors as well as the factors specific to the entity that is responsible for the accounting (role) change program. Change adopter level focuses on the forces that impact the people, organizational unit or for example subsidiary that is the intended change program target. Finally, stakeholder level analyses the factors from the perspective of the individual not directly impacted by the change initiative, but who still influence and are influenced by the consequences of the change project. In the case of Tech Inc. Finland, business managers that collaborated with the local finance people became important stakeholders in the trusted advisor program.

The multilevel accounting change provided a suitable framework for studying the change factors that impacted Tech Inc. However, the model itself is based on the empirical evidence of a single case study. Further research should be undertaken to confirm its validity as a theoretical framework. Tech Inc. represents a moderately complex organization for research purposes, mainly due to its size and organizational structure. As such, the multilevel accounting change model might not be best suited at analyzing smaller and less complex organizations.

However, research findings of the thesis are subject to certain limitations, especially regarding their generalizability. These limitations will be discussed in the following section.

6.2. RESEARCH LIMITATIONS

Findings of the thesis are based on a field study conducted at a single case organization, Tech Inc. Finland. Whereas supporting evidence was sought from internal documents and meetings, researcher had no direct access to the organization that initially designed and launched the trusted advisor program. Moreover, the field study and interviews were conducted during a relative short period, that is, between autumn 2012 and spring 2013. Researcher cannot comment on how the trusted advisor program has progressed within the organization after the research project was completed. However, as the role transformation initiative is part of Tech Inc. finance's long-term vision, expectation is that the change program will continue and evolve. A longer research project involving several subsidiaries and/or the top management behind the change program would have strengthened the validity and reliability of the results.

The studied company represents the IT industry and can be classified as a relatively complex and large organization. It is noted that this limits the generalizability of the results to other industries and firms with differing structures. Further, to date little evidence exists from the IT industry in relation to role change projects, with Järvenpää's studies (2001; 2007) among the hi-tech industry being notable exceptions. More empirical evidence is needed to validate the results of the study within and outside of the IT industry.

Finally, researching role change involves delicate discussions with individuals regarding their own role, that of others, and expectations, hopes and change ideas that relate to these roles and their interplay. People might not provide candid answers if they suspect their opinions might be shared within the work community. Moreover, researcher had represented the studied organization. The prior relationship between interviewees and interviewer could have impacted the responses that people were willing to give. Researcher also acknowledges the danger of subjective interpretation of the findings, based partly also on his prior experiences and not solely on the evidence collected.

All in all, it is noted that the thesis represents only a first endeavor at studying role change within the IT industry and at a Finnish subsidiary, by using Kasurinen's (2002) accounting change model as the theoretical framework. Empirical findings and the conducted literature

review brought out interesting avenues for future research. The recommended research topics are discussed next.

6.3. RECOMMENDATIONS FOR FUTURE RESEARCH

This thesis proposed a new multilevel accounting change model. In order to test the validity of the framework, future research could focus on studying actual role change projects by utilizing the proposed change model as the research's theoretical framework. IT industry would be a suitable environment for follow-up studies, as it is not routinely featured in case studies concerning role change of management accountants.

Further, more research is needed in the area of matrix organizations: situations, where top management is running change projects that directly impact the roles of management accountants at the subsidiary level could benefit from the proposed accounting change model. In addition, dynamics between the parent-subsidiary relationships in the role change context remain largely an uncharted territory

Finally, more and more organizations are resorting to virtual relationships: employees interact via modern communication technologies and physical face-to-face interaction is losing importance. For instance, Tech Inc. had increasingly started to resort to virtual partnerships in its operating model. Consequently, it is suggested that future scholars should focus on researching the management accountant-business management relationship in a virtual context. How does this differ from the traditional model of face-to-face interaction? Does it bring benefits? What are the associated drawbacks?

The last section presents managerial considerations that came up as a result of the case study.

6.4. MANAGERIAL CONSIDERATIONS

Organizations that are interested in initiating large-scale role transformation projects should take note of the following issues observed within the conducted case study: firstly, it is important to involve the main stakeholders of the role that is targeted into the discussions regarding the roles final definition. If the intention is for the management accountants to provide better business support for their business partners, these partners should to be able to influence the design of the new business oriented management accountant role.

Secondly, companies should distinguish between the various levels that impact the change process: organizational, change adopter and stakeholder levels. This multilevel perspective

can assist organizations in understanding where issues are originating from, and where to focus in order to best support the change process. For example, for Tech Inc. Finland, it was clear that local subsidiary level actions would be most valuable in supporting the trusted advisor program.

Finally, this thesis has discussed the topic of barriers to change. It should be noted that change process can face a number of obstacles during their lifecycle. In order to be better prepared to dealing with these (potential) barriers, organizations should familiarize themselves with prior research and known barriers. In doing so, Tech Inc. could have identified beforehand the potential issue areas and design the change program accordingly.

BIBLIOGRAPHY

Agostino, D., & Arnaboldi, M. (2011). How the BSC Implementation Process Shapes Its Outcome. *International Journal of Productivity and Performance Management, 60*(2), 99-114.

Ahrens, T. (1996). Styles of Accountability. *Accounting, Organizations and Society, 21*(2), 139-173.

Ahrens, T. (1997). Talking Accounting: An Ethnography of Management Knowledge in British and German Brewers. *Accounting, Organizations and Society, 22*(7), 617-637.

Ahrens, T., & Dent, J. F. (1998). Accounting and Organizations: Realizing the Richness of Field Research. *Journal of Management Accounting Research, 10*, 1-39.

Argyris, C., & Kaplan, R. S. (1994). Implementing New Knowledge: The Case of Activity-Based Costing. *Accounting Horizons, 8*(3), 83-105.

Baldvinsdottir, G., Burns, J., Norreklit, H., & Scapens, R. W. (2009). The Changing Roles and Changing Discourse of the Management Accountant: 1980-2008. *HEC Research Seminar, Working Paper*, 1-37.

Baldvinsdottir, G., Burns, J., Norreklit, H., & Scapens, R. W. (2009). The Image of Accountants: From Bean Counters to Extreme Accountants. *Accounting, Auditing & Accountability Journal, 22*(6), 858-882.

Baldvinsdottir, G., Burns, J., Nørreklit, H., & Scapens, R. W. (2009). *The Changing Roles and Changing Discourse of the Management Accountant: 1980-2008 (Working paper).* Paris: HEC Research Seminar.

Burchell, S., Clubb, C., Hopwood, A., Hughes, J., & Nahapiet, J. (1980). The Roles of Accounting in Organizations and Society. *Accounting, Organizations and Society, 5*(1), 5-27.

Burns, J., & Baldvinsdottir, G. (2005). An Institutional Perspective of Accountant's New Roles - The Interplay of Contradictions and Praxis. *European Accounting Review, 14*(4), 725-757.

Burns, J., & Hopper, T. H. (2004). Management Accounting Education and Training: Putting Management in and Taking Accounting Out. *Qualitative Research in Accounting & Management, 1*(1), 1-29.

Burns, J., & Vaivio, J. (2001). Management Accounting Change. *Management Accounting Research, 12*, 389-402.

Byrne, S., & Pierce, B. (2007). Towards a More Comprehensive Understanding of the Roles of Management Accountants. *European Accounting Review, 16*(3), 469-498.

Chenhall, R., & Langfield-Smith, K. (1998). Factors Influencing the Role of Management Accounting in the Development of Performance Measures within Organizational Change Programs. *Mangement Accounting Research, 9*, 361-386.

Chui, M., Manyika, J., Bughin, J., Brown, B., Roberts, R., Danielson, J., & Gupta, S. (2013, 11 23). *Ten IT-Enabled Business Trends for the Decade Ahead.* Retrieved from http://www.mckinsey.com: http://www.mckinsey.com/insights/high_tech_telecoms_internet/ten_it-enabled_business_trends_for_the_decade_ahead

Clinton, D., & White, L. R. (2012). The Role of the Management Accountant: 2003-2012. *Management Accounting Quarterly, 14*(1), 40-74.

Cobb, I., Helliar, C., & Innes, J. (1995). Management Accounting Change in a Bank. *Management Accounting Research, 6*, 155-175.

De Loo, I., Verstegen, B., & Swagerman, D. (2011). Understanding the Roles of Management Accountants. *European Business Review, 23*(3), 287-313.

Dent, J. F. (1991). Accounting and organizational cultures: A field study of the emergence of a new organizational reality. *Accounting, Organizations and Society, 16*(8), 705-732.

Ernst & Young. (2010). *The DNA of the CFO - A Study of What Makes a Chief Financial Officer.*

Friedman, A. L., & Lyne, S. R. (1997). Activity-based Techniques and the Death of the Beancounter. *The European Accounting Review, 6*(1), 19-44.

Goretzki, L., Strauss, E., & Weber, J. (2013). An Institutional Perspective on the Changes in Management Accountants' Professional Role. *Management Accounting Research, 24*, 41-63.

Graham, A., Davey-Evans, S., & Toon, I. (2012). The Developing Role of the Financial Controller: Evidence from the UK. *Journal of Applied Accounting Research, 13*(1), 71-88.

Granlund, M., & Lukka, K. (1997). From Bean-Counters to Change Agents: The Finnish Management Accounting Culture in Transition. *Liiketaloudellinen Aikakauskirja, 3*, 213-255.

Herbert, I. P., & Seal, W. B. (2012). Shared Services as a New Organisational Form: Some Implications for Management Accounting. *The British Accounting Review, 44*, 83-97.

Hopper, T. M. (1980). Role Conflicts of Management Accountants and Their Position within Organisation Structures. *Accounting, Organizations and Society, 5*(4), 401-411.

Hopwood, A. G. (1983). On Trying to Study Accounting in the Contexts in Which it Operates. *Accounting, Organizations and Society, 8*(2), 287-305.

Hopwood, A. G. (2008). Management Accounting Research in a Changing World. *Journal of Management Accounting Research, 20*, 3-13.

Humphrey, C., & Scapens, R. W. (1996). Theories and Case Studies of Organizational Accounting Practices: Limitation or Liberation? *Accounting, Auditing & Accountability Journal, 9*(4), 86-106.

IBM Corporation. (2010). *The New Value Integrator - Insights from the Global Chief Financial Officer Study.*

Innes, J., & Mitchell, F. (1990). The Process of Change in Management Accounting: Some Field Study Evidence. *Management Accountin Research, 1*, 3-19.

Johnson, H. T., & Kaplan, R. S. (1987). *Relevance Lost: The Rise and Fall of Management Accounting.* Boston: Harvard Business School Press.

Järvenpää, M. (2001). Connecting Management Accountant's Changing Roles, Competencies and Personalities into the Wider Managerial Discussion - A Longitudinal Case

Evidence from the Modern Business Environment. *Liiketaloudellinen Aikakauskirja, 4*, 431-458.

Järvenpää, M. (2007). Making Business Partners: A Case Study on how Management Accounting Culture was Changed. *European Accounting Review, 16*(1), 99-142.

Kakkuri-Knuuttila, M.-L., Lukka, K., & Kuorikoski, J. (2008). Straddling Between Paradigms: A Naturalisctic Philosophical Case Study on Interpretive Research in Management Accounting. *Accounting, Organizations and Society, 33*, 267-291.

Kaplan, R. S. (1984). The Evolution of Management Accounting. *The Accounting Review, 59*(3), 390-418.

Kasurinen, T. (2002). Exploring Management Accounting Change: The Case of Balanced Scorecard Implementation. *Management Accounting Research, 13*, 323-343.

Lambert, C., & Sponem, S. (2012). Roles, Authority and Involvement of the Management Accounting Function: A Multiple Case-Study Perspective. *European Accounting Review, 21*(3), 565-589.

Llewellyn, S. (1993). Working in Hermeneutic Circles in Management Accounting Research: Some Implications and Applications. *Management Accountin Research, 4*, 231-249.

Lukka, K., & Kasanen, E. (1995). The Problem of Generalizability: Anecdotes and Evidence in Accounting Research. *Accounting, Auditing & Accountability Journal, 8*(5), 71-90.

Ma, Y., & Tayles, M. (2009). On the Emergence of Strategic Management Accounting: An Institutional Perspective. *Accounting and Business Research, 39*(5), 473-495.

Maas, V. S., & Matêjka, M. (2009). Balancing the Dual Responsibilities of Business Unit Controllers: Field and Survey Evidence. *The Accounting Review, 84*(4), 1233-1253.

Malmi, T. (1997). Towards Explaining Activity-Based Costing Failure: Accounting and Control in a Decentralized Organization. *Management Accounting Research, 8*, 459-480.

Mouritsen, J. (1996). Five Aspects of Accounting Department's Work. *Management Accounting Research, 7*, 283-303.

Newman, M., Smart, C., & Vertinsky, I. (1989). Occupational Role Dimensions: The Profession of Management Accounting. *British Accounting Review, 21*, 127-140.

OECD. (2010). *OECD Information Technology Outlook 2010.* Paris: OECD Publishing. doi:http://dx.doi.org/10.1787/it_outlook-2010-en

Otley, D. T. (1980). The Contingency Theory of Management Accounting: Achievement and Prognosis. *Accounting, Organizations and Society, 5*(4), 413-428.

Parker, L. D. (2002). *Reinventing the Management Accountant.* Chartered Institute of Management Accountants.

Pierce, B., & O'Dea, T. (2003). Management Accounting Information and the Needs of Managers: Perceptions of Managers and Accountants Compared. *The British Accounting Review, 35*, 257-290.

PwC. (2011a). *The Consumerization of IT is Transforming the CIO Role.* Delaware: PwC.

PwC. (2011b). *The Future of IT Outsourcing and Cloud Computing: A PwC Study.* Delaware: PwC.

Scapens, R. W. (1990). Researching Management Accounting Practice: The Role of Case Study Methods. *British Accounting Review, 22*, 259-281.

Siegel, G., & Sorensen, J. E. (1999). *Counting More, Counting Less: Transformations in the Management Accounting Profession.* Institute of Management Accountants.

Simon, H. A., Kozmetsky, G., Guetzkow, H., & Tyndall, G. (1954). *Centralization vs. Decentralization in Organizing the Controller's Department.* New York: Controllership Foundation, Inc.

Smith, J. A., Morris, J., & Ezzamel, M. (2005). Organisational Change, Outsourcing and the Impact on Management Accounting. *The British Accounting Review, 37*, 415-441.

Strebel, P. (1996). Why Do Employees Resist Change? *Harvard Business Review, 74*(3), 86-92.

Tarasovich, B. M., & Lyons, B. (2009). Finance Flies High - How Unilever Redesigned Its Finance Function to Build Brand Value and Drive Growth. *Strategic Finance*, 25-29.

Tech Inc. (2008). *Tech Inc. Finance Vision.* Internal Training Video.

Tech Inc. (2009a). *Enabling the Finance Vision - Initiative Tracking.* Internal Report.

Tech Inc. (2009b). *Finance's Future State.* Internal Report.

Tech Inc. (2010a). *Benchmarking to Build a World Class Business Support Finance Organization.* Internal Report.

Tech Inc. (2010a). *Defining the Best - Key Performance Indicator Trends.* Internal Report.

Tech Inc. (2010b). *The Trusted Advisor Relationship.* Internal Report.

Tech Inc. (2011a). *Being a Trusted Advisor.* Internal Training Video.

Tech Inc. (2011b). *2011 Tech Inc. People Plan.* Internal Memo.

Tech Inc. (2012a). *Finance Operating Model - Finance All Employee Meeting.* Internal Report.

Tech Inc. (2012b). *Tech Inc. Finance 2012 Vision Day.* Internal Report.

Tech Inc. (2012c). *Tech Inc. Finance Vision.* Internal Memo.

Upping, P., & Oliver, J. (2012). Thai Public Universities: Modernisation of Accounting Practices. *Journal of Accounting & Organizational Change, 8*(3), 403-430.

Vaivio, J. (1999). Exploring a 'Non-Financial' Management Accounting Change. *Management Accounting Research, 10*, 409-437.

Vaivio, J. (2008). Qualitative Management Accounting Research: Rational, Pitfalls and Potential. *Qualitative Research in Accounting & Management, 5*(1), 64-86.

Vaivio, J., & Kokko, T. (2006). Counting Big: Re-examining the Concept of the Bean Counter Controller. *Liiketaloudellinen Aikakauskirja, 1*, 49-74.

Yazdifar, H., & Tsamenyi, M. (2005). Management Accounting Change and the Changing Roles of Management Accountants: A Comparative Analysis Between Dependent and Independent Organizations. *Journal of Accounting & Organizational Change, 1*(2), 180-198.

APPENDICES

APPENDIX A: LIST OF INTERVIEWS

Unit manager, business unit A	3.1.2013	60 min
Finance manager, business unit A	20.12.2012	75 min
Unit manager, business unit B	5.12.2012	60 min
Finance manager, business unit B	28.11.2012	75 min
Unit manager, business unit C	21.12.2012	65 min
Finance manager, business unit C	19.12.2012	75 min
Unit manager, business unit D	3.12.2012	60 min
Finance manager, business unit D	12.12.2012	75 min
Unit manager, business unit E	5.12.2012	60 min
Finance manager, business unit E	5.12.2012	60 min
Unit manager, business unit F	17.12.2012	80 min
Finance manager, business unit F	17.12.2012	65 min
Country controllership manager	7.1.2013	60 min
Country manager	20.12.2012	60 min
Country finance manager	20.12.2012	70min

APPENDIX B: SEMI-STRUCTURED INTERVIEW TEMPLATE, BUSINESS

1. Can you describe your current position?
2. Who is your closest finance partner at the moment?
3. How does your finance partner support you? How does your cooperation work?
4. Do you understand the current role of your finance partner? Are you aware of all the responsibilities he/she takes care of?
5. Would you like to change something in your partnership with your finance partner?
6. Do you see any issues or barriers preventing finance from fulfilling their role effectively today?
7. Are you aware of the trusted advisor program? How would you describe this program?
8. What does a trusted advisor mean to you?
9. How would you rate your finance partners competencies in the following areas:
    a. Soft skills
    b. Technical skills
    c. Understanding of the business
10. How would you develop the trusted advisor program?
11. Are you aware of the finance's new operating model project?
12. How has this project impacted the support you get from finance?

APPENDIX B: SEMI-STRUCTURED INTERVIEW TEMPLATE, FINANCE

1. Can you describe your current position?
2. Who is your closest business partner at the moment?
3. How do you support him/her? How does your cooperation work?
4. Would you like to change something in your current role?
5. Would you like to change something in your partnership with your business partner?
6. Do you see any issues or barriers preventing you from fulfilling your effectively today?
7. Are you aware of the trusted advisor program? How would you describe this program?
8. What does a trusted advisor mean to you?
9. How would you rate your competencies in the following areas:
    a. Soft skills
    b. Technical skills
    c. Understanding of the business
10. How would you develop the trusted advisor program?
11. Are you aware of the finance's new operating model project?
12. How has this project impacted your role?