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Embrace the Change

An embedded case study on the role of change agents in bringing about management accounting change

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ABSTRACT

This paper explores the role of change agents across organisational levels and units in the process of management accounting change. By using an embedded single case approach, an in-depth understanding is received of how the role of change agents should be exercised and by whom. A developed research stream within the management accounting change literature addresses the importance of organisational members and behavioural dynamics in order to understand the process of management accounting change; how it comes about and evolves across time and space. However, previous research has devoted limited attention to the role of change agents in the process of management accounting change. Using the Burns and Scapens' (2000) institutional framework in combination with existing research on change agents within the management accounting change literature, this paper integrates micro- and organisational-level perspectives on the process of institutional change and thereby add a more comprehensive understanding of the management accounting change process. The findings of this study highlight the importance of exploring the role of change agents along three dimensions in a formal management accounting change process: *phase of change process*, *hierarchical levels* and *organisational units*. Furthermore, the findings of this study have managerial implications as they indicate the importance that change agents across organisational levels and units acknowledge and account for the institutional context in which they operate to mobilise organisational members to enact and reproduce new management accounting practices.

Keywords: Change Agent, Management Accounting Change, Formal Change Process, Institutionalisation, Performance Management

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1 Introduction

> "*…we need to continuously be better than we were yesterday, and we need to be aware of how good we are compared to the rest of the world. Therefore, it is important to measure yourself, measure your performance, measure change... how much you have improved compared to where you were yesterday, measure how you are tracking against the rest of the tough competition that's out there.*"

The concerns raised by the Division Manager at Global Inc. are illustrative for the intensified competition experienced by modern corporations operating in an increasingly globalised and complex market environment (Busco and Scapens, 2011). Consequently, in trying to secure their competitive advantage and adapt their business processes to the rapidly and continuously changing environment, corporations incorporate their strategic visions into business processes (Burns and Vaivio; 2001; Busco et al, 2006; Busco and Scapens, 2011). To steer their businesses, managers are faced with an increasing demand of constantly updated, accurate and decision useful information (Burns and Vaivio, 2001). Thus, some researchers argue that the continuous alignment of strategic visions with business processes is a key challenge faced by modern corporations (Simons, 1995; Busco and Scapens, 2011).

To achieve their strategic visions, organisations need to translate their strategies into specific goals and associated performance measures (Busco and Scapens, 2011). In this context, performance measurement systems have become a widely used management accounting tool to organise, monitor and manage alignment between corporate strategy and business processes (Kloot, 1997; Busco and Scapens, 2011). Beyond performance measurement systems, the implementation of other prominent and so-called 'advanced' accounting techniques, such as Activity-Based-Costing (ABC), Balanced Scorecard (BSC) and Target Costing (TC), have increased over the past two decades (Burns and Vaivio, 2001). Since these practices have company-wide implications, the implementation of such systems tends to imply widespread organisational change (Lukka, 2007; Järvenpää, 2007; Busco and Scapens, 2011). In accounting literature, implementation of new management accounting techniques is understood as management accounting change. In response to the emergence of new practices in contemporary organisations, management accounting change and challenges involved in its implementation have been subject to considerable research over the past decades (e.g. Burns and Scapens, 2000; Burns and Vaivio, 2001; Busco et al, 2007; Modell, 2007).

Within the management accounting change literature, previous research has investigated a wide range of topics, yet, two influential streams of research have emerged: factor studies and process-oriented studies (Modell, 2007; Lukka, 2007). Studies within the former strand has focused on investigating factors facilitating or hampering the implementation of management accounting systems (e.g. Shields and Young, 1989; Innes and Mitchell, 1990; Shields, 1995; Cobb et al., 1995; Kasurinen, 2002). In contrast, research within the latter has investigated the nature of management accounting change and existing management accounting practices (Granlund, 2001; Burns and Vaivio, 2001; Busco et al., 2007). While factors studies focus on the implementation of management accounting change in a more general, organisational-wide view, process-oriented studies are concerned with the intricate social and political dynamics of change processes at an intra-organisational level (Burns, 2000; Modell, 2007). Process studies based on institutional theories have in particular contributed to the understanding of the management accounting change process (e.g. Burns and Scapens, 2000).

Numerous studies within the management accounting change literature emphasise the importance of organisational members and behavioural dynamics in order to understand the process of management accounting change; how it comes about and evolves across time and space (e.g. Burns and Scapens, 2000; Busco et al., 2006; Busco et al., 2007). Specifically, several studies address *agency* as vital in bringing about management accounting change (e.g. Burns and Vaivio, 2001; Seo and Creed, 2002; van der Steen, 2005; Busco et al., 2007). Nonetheless, limited research has been devoted to explicitly uncover how the role of change agents should be exercised and by whom (Scapens, 2006; Modell, 2007). Although particularly influential, Burns and Scapens' (2000) institutional framework has been criticised for being remarkably neglectful of what role potential change agents have in bringing about change (Van der Steen, 2005; Scapens, 2006; Modell, 2007). Thus, several researchers argue that the role of change agents in the institutional change process has considerable potential to extend the understanding of management accounting change (e.g. Scapens, 2006; Modell, 2007).

Based on the opportunities for further research identified above, this study aims to answer the following research questions:

1. *What role do change agents have in the process of institutionalising formal management accounting changes?*
2. *Who are the change agents and what does their role entail?*

To answer the above stated research questions, the study was conducted as an embedded single case study investigating the process of a large-scale implementation of a new performance management system within a Division in a Swedish multinational company. In total, 21 interviews were conducted with employees at three hierarchical levels across five organisational subunits involved in the implementation process. In relation to the first research questions, the study analyses the findings against previous literature on change agents combined with Burns and Scapens' (2000) institutional framework. Thereby, the study aims to extend the understanding of what role change agents have in bringing about institutional change. Turning to the second research question, the study analyses the findings against previous change agent literature within management accounting change to conceptualise the role of change agents.

This study emphasises the importance of exploring the role of change agents along three dimensions: phase of change process, hierarchical levels and organisational units. In relation to the first dimension, the findings confirm the theoretical dilemma inherent in the institutional change process depicted by Burns and Scapens (2000) and emphasise the need to distinguish between two distinct phases of formal change processes; i) the recognition and initiation of change, and ii) the implementation of the new management accounting practices. Regarding the other dimensions, this study highlights the importance of exploring the role of change agents across organisational levels and units to gain a comprehensive understanding of the implementation. By leveraging the empirical findings and combining the change agent literature with Burns and Scapens' (2000) framework, this study elucidates the value of integrating micro- and organisational level perspectives in studying institutional change. Thus, this study extends the Burns and Scapens (2000) framework by incorporating the role of change agents in bringing about institutional change, which adds relevant understanding to the process of management accounting change. Finally, the study conceptualises the role of change agents along two dimensions: their formal and informal role. This paper thereby contributes to the previously heterogeneous contributions on the subject within the management accounting change literature.

2 Literature Review

Section 2.1 presents previous research on management accounting change, primarily focusing on management accounting change as a process. Section 2.2 reviews previous research on the role of change agents in management accounting change processes. Finally, section 2.3 combines the change agent literature with the Burns and Scapens (2000) framework.

2.1 Management Accounting Change

2.1.1 A Historical Background

Management accounting change has become an increasingly growing topic of research amongst management accounting researchers over the past decades (e.g. Burns and Scapens, 2000; Burns and Vaivio, 2001; Busco et al., 2007; Modell, 2007). Yet, studying the notion and process of change of management accounting systems is a relatively new field within the management accounting literature (Burns and Scapens, 2000; Modell, 2007). Hitherto, a conceptually unanimous and formalised approach to study management accounting change has not emerged, much as a consequence of the ambiguous notion of change; its nature, logic and management. Rather a variety of 'loosely coupled' theoretical research approaches have proliferated in order to understand management accounting change (Burns and Vaivio, 2001; Modell, 2007).

Studies relating to the process of management accounting change remained largely unexplored until the publication of *Relevance Lost* by Johnson and Kaplan in 1987, which triggered a debate and critical analysis of the issues related to established 'ideal' management accounting techniques (referred in Burns and Vaivio, 2001; Modell, 2007). Before the 1980s, much of the management accounting research advocated a rather 'technical' or 'static' view and focused on theorising around economically 'optimal' management accounting systems. Consequently, management accounting change processes were perceived and understood as a shift between 'optimal' management accounting practices, i.e. as an *outcome*, rather than exploring the complex dynamics of change through time, i.e. as a *process* (Burns, 2000; Burns and Scapens, 2000; Scapens, 2006; Modell, 2007). During the early 1980s, contingency theory provided some insights regarding the forces underlying management accounting change. However, this perspective merely identified contingent variables explaining inter and intra firm differences of management accounting systems rather than studying the transition between these 'optimal' management accounting system solutions to appoint a more 'dynamic' approach to understand the emergence of management accounting change (Innes and Mitchell, 1990; Burns and Scapens, 2000; Scapens, 2006).

Since the 1990s the management accounting change research has accelerated and encompassed numerous theoretical perspectives and frameworks (Burns, 2000; Burns and Vaivio, 2001; Lukka, 2007; Modell, 2007). Some studies have been devoted to investigate driving factors, facilitators and barriers, of management accounting change (e.g. Shields and Young, 1989; Innes and Mitchell, 1990; Shields, 1995; Cobb et al, 1995). Another stream of research has focused on studying the nature of management accounting change and existing management accounting practices. The dichotomy between change and stability, and how they may co-exist, has been a recurring topic of interest (Granlund, 2001; Burns and Vaivio, 2001; Busco et al., 2007). Considerable research within this stream has also focused on understanding the evolutionary, rather than revolutionary, nature of change in management accounting practices where some have been guided by institutional theory (Bromwich and Bimani, 1989, referred in Modell, 2007; Burns and Scapens, 2000; Burns and Vaivio, 2000).

The extensive spectrum of studies that has evolved over the past two decades can be categorised into two broad streams of research: factor studies and process-oriented studies (Burns, 2000; Lukka, 2007; Modell, 2007). Factors studies seek to explain management accounting change by identifying factors that drive and hamper the implementation of new management accounting systems (e.g. Shields and Young, 1989; Innes and Mitchell, 1990; Shields, 1995; Cobb et al., 1995; Kasurinen, 2002). Considerable attention has been devoted to the (successful) implementation of novel management accounting techniques, especially Activity-Based Costing (ABC), whereby the importance of behavioural and organisational variables, rather than technical accomplishment, has been stressed (e.g. Shields and Young, 1989; Shields, 1995). Many of these studies have been conducted with a survey-based approach, however, case-based studies emerged in an attempt to contribute with a more generalizable approach in understanding the drivers and barriers of management accounting change (Modell, 2007). One of the more prominent contributions in this area is the Innes and Mitchell (1990) framework, later refined by Cobb et al. (1995) and Kasurinen (2002), which provide an understanding of factors that motivates, catalyses, facilitates and hinders the management accounting change process. In this sense, this cluster of studies is argued to investigate phenomenon impacting management accounting change – including technical, environmental and organisational factors – in a broader organisational context (Modell, 2007).

In contrast to factor studies, process-oriented studies are concerned with the social and political dynamics of the change process at an intra-organisational level (Burns, 2000; Modell, 2007). This stream of research focuses on management accounting change as a *process*, and tries to explain *why* and *how* management accounting practices becomes what it is, or is not, over time (Burns, 2000; Burns and Scapens, 2000; Scapens, 2006). Processual approaches have been guided by a wide variety of 'alternative' theories, where institutional theory (e.g. Burns and Scapens, 2000) and structuration theory (e.g. Scapens and Roberts, 1993), in particular, have provided influential perspectives (Baxter and Chua, 2003; Modell, 2007). Studies related to these strands have provided important insights on issues such as resistance (e.g. Scapens and Roberts, 1993), failure or success of new management accounting practices (e.g. Granlund, 2001), and attempted to conceptualise change versus stability (e.g. Granlund, 2001; Busco et al., 2007). Furthermore, process-oriented studies have contributed to the understanding of management accounting change by considering the impact of a broad range of inter-related organisational influences, intentional and unintentional, such as power relations (Burns, 2000), culture (Busco and Scapens, 2011), trust and distrust in management accounting systems (Busco et al., 2006), and the image and identity of particular organisational groups (Taylor and Scapens, 2016). The next section will provide a more in-depth mapping of the literature within the process-oriented stream of research.

2.1.2 Process-oriented Studies and Institutional Theory

Process-oriented studies are concerned with understanding and explaining the process of management accounting change (e.g. Burns, 2000; Modell, 2007). However, in conceptualising management accounting change it is necessary to understand *what* is changing, i.e. management accounting practices, and its nature (Busco et al., 2007). Busco et al. (2007) argue that although stability and functional structures are inherent in commonly used management accounting systems, such as Balance Scorecards, it seems that embedded in the very nature of management accounting practices are elements pointing to a tendency of becoming what it is not (Hopwood, 1987, p.207, referred in Busco et al., 2007). It thus follows that management accounting change should be viewed as continuously evolving (Busco et al., 2007). Scapens (2006) also argue that in studying management accounting change it is essential to understand the nature of management accounting practices, which entails an analysis of inter-related influences that shape management accounting practices within an organisation. Here, institutional theory has provided influential guidance in trying to understand and explain the nature of management accounting practices and management accounting change (Scapens, 2006; Modell, 2007).

Burns and Vaivio (2001) elaborate on the nature of management accounting change as one perspective to address its conceptualisation. They question whether change should be viewed as a distinct, observable episode with a beginning and end, or as continuously evolving. They thereby contrast management accounting change as a disruptive, *revolutionary*, phenomenon to it being perceived as an incremental, *evolutionary*, process. Another perspective described by Burns and Vaivio is the logic of management accounting change. This view foremost perceives change as a *managed* and *formal* organisational event or process. Change is designed and carried out in a predetermined manner by organisational actors, thereby highlighting the key role of motivated actors who initiate and take responsibility for the transformation process. However, there are also strands that consider management accounting change as foremost an *unmanaged* phenomenon that contains *informal* elements.

Further, Burns and Scapens (2000) recognised that there are different types of change and elaborated on three different dimensions along which the change process could be categorised: *formal/informal*, *revolutionary/evolutionary*, and *progressive/regressive*. Formal processes depict the intentional change of rules through the introduction of new management accounting systems, whereas informal change processes are not specifically directed, but rather evolves at a more tacit level. Revolutionary change refers to the fundamental disruption of existing rules, routines and institutions, while evolutionary change is incremental and continuous. Regressive change refers to behaviours which reinforce ceremonial dominance, i.e. a tendency of preserving existing value systems and power structures, and thereby restricting institutional change. Progressive change is described as the shift from ceremonial to instrumental behaviour, i.e. adopting a more relational, knowledge and technology adapting approach. In their study, Burns and Scapens foremost suggest that management accounting change should be viewed as a more or less continuously evolving process, i.e. evolutionary, that may be disrupted by formal or even revolutionary episodes of change. In addition to Burns and Scapens (2000), numerous studies have focused on the evolutionary, rather than revolutionary, process of change (e.g. Bromwich and Bimani, 1989; Scapens, 1994; Busco et al., 2007). Based on these insights it is therefore interesting to further review how previous studies have investigated the processes involved in management accounting change.

Among the most influential studies within this field is Burns and Scapens (2000), who conceptualise management accounting change as change in organisational rules and routines. Drawing on institutional theory, in particular old institutional economics[1], Burns and Scapens view management accounting practices as stable *rules* (the formal management accounting systems) and *routines* (the accounting practices actually in use) which reflect the organisational *institutions*[2] and shape organisational *actions*. Through a process whereby

[1] Old institutional economics is concerned with the institutions that shape the actions and thoughts of individual human agents.

[2] Institutions are defined as 'taken-for-granted' assumptions in an organisation.

institutions are *encoded* by organisational rules and routines (i.e. management accounting systems and practices) that in turn are *enacted* by the organisational members and thus gradually *reproduced* through their everyday actions, management accounting practices are ultimately *institutionalised*. Over time rules, and especially routines, may be modified and changed as organisational actors adapt to new situations. However, as existing institutions tend to be slow to change they will continue to affect organisational action patterns, which give rise to *path dependencies* in the change process whereby emerging organisational rules and routines will be interpreted in the face of existing institutions and consequently slow to become institutionalised. Burns and Scapens thus highlight the role of organisational institutions in shaping the process of management accounting change. In this view, it seems likely that management accounting change which is consistent with the current institutions and routines is more achievable than rules that completely contrasts the '*way things are*'. Yet, they also recognise that although institutions shape organisational behaviour, and thus the change process, institutions are themselves the outcome of the actions of organisational members. Therefore, they stress that management accounting change not only should be understood as the change in rules and routines, but also in terms of the behaviour of organisational members. Despite Burns and Scapens (2000) recognition of organisational members as an important dimension in understanding management accounting change, the framework pays limited attention to the roles involved in the change process.

Over the past decade the Burns and Scapens (2000) framework has been used by numerous management accounting researchers to study management accounting change and different issues related to the change process, whereby the framework has been extended. In his review from 2006, Scapens addresses the achievements of the Burns and Scapens (2000) framework in studying management accounting change, however, he also points to its limitations and potential extensions. Specifically, Scapens have identified four issues, not explicitly captured in the framework, as important in understanding management accounting change; *external and internal institutions*, *issues of trust*, *power* and *agency*. Some of these issues have been investigated and contributed to extensions of the original framework (e.g. Busco et al., 2006; Busco and Scapens, 2011; Taylor and Scapens, 2016).

The study by Burns (2000) provides valuable insights to the interplay between new, imposed, management accounting practices and power relations within an organisation. Similar to Burns and Scapens (2000), management accounting is viewed from the old institutional economics perspective, whereby management accounting change is understood as the change in organisational rules and routines, embodied in the institutions. Combined with the power mobilisation framework[3] developed by Hardy in 1996 (referred in Burns, 2000), Burns illuminates how the concepts of power and politics may increase our understanding of *how* and *why* new management accounting practices evolve by recognising that the two may act as both facilitating and hindering factors in the management accounting change process. Based on findings from the case study of a product development unit in a small UK chemicals manufacturer, Burns concludes that power mobilisation provides the momentum necessary for implementing new management accounting practices, while new management accounting routines that fails to impinge on the existing institutional context may encounter resistance.

Busco et al. (2006) use the Burns and Scapens (2000) framework to study management accounting change and the role of management accounting systems as an element of trust, or distrust, in the context of radical change processes, such as during organisational crisis. Their empirical findings from a case study of an Italian company, which was subject to substantial changes following the acquisition by General Electric, demonstrates how the introduction of new management accounting practices may both act as a source and object of trust/distrust in the change process. Busco et al. (2006) suggest that when organisations experience a need for radical change, e.g. when crisis arise, management accounting practices can play a role in enabling organisational members to respond to this need. Drawing on the institutional process described in the Burns and Scapens (2000) framework, the response by organisational members may, on the one hand, be guided by prevailing management accounting practices to challenge existing knowledge and open up for radical change. On the other hand, prevailing institutions might limit the questioning of prevailing management accounting practices, and thus decelerate, or even hinder, the adoption of new rules and routines. Busco et al. (2006) emphasise the importance of the active adoption by organisational members, enabled through their participation *in* and reflection *on* the change to new management accounting practices, in order to bring about management accounting change. They conclude that management accounting practices and trust are mutually dependent; trust in change is needed for implementing new management accounting systems, yet management accounting systems are needed to sustain trust for change in practices. Hence, the authors conceptualise trust, or distrust, for management accounting change as socially constructed by organisational members. By describing the intertwined relationship between trust and management accounting systems, Busco et al. (2006) extend the Burns and Scapens (2000) framework by adding *roles* as access points to management accounting systems, and thereby also the change process. Although

[3] The framework consists of four dimensions, namely; *Power over resources*, *power over decision making, power over meanings* and *existing institutional context.*

Busco et al. (2006) recognise the role of organisational members in adopting new management accounting practices when organisations face radical changes, this element serves as a part in conceptualising trust/distrust in management accounting practices rather than constituting the main contribution in the study.

In a more recent study, Busco and Scapens (2011) provide another perspective to the Burns and Scapens (2000) framework by exploring the interaction between management accounting systems and cultural change. Based on insights from Schein's work on organisational culture and Gidden's structuration theory, Busco and Scapens (2011) develop the Burns and Scapens (2000) framework to interpret the ways in which management accounting practices evolve over time, and how these routinized systems contribute to the continuous creation and re-definition of organisational culture. Similar to Busco et al. (2006), Busco and Scapens (2011) view management accounting systems as a set of *rules* (formalised statements of procedures), *roles* (the network of social positions) and *routines* (the practices habitually in use), which are involved in the continuous production and reproduction of organisational structures. In accordance with Burns and Scapens (2000), the authors argue that management accounting change tends to be evolutionary and path dependent. However, this process may occasionally be disrupted by specific formal or revolutionary change, involving reflection upon existing organisational rules, roles and routines, and the institutions they encode. In this sense, management accounting systems may be depicted as socially constructed and validated practices that hold and transmit organisational culture across time and space. Accordingly, they conceptualise organisational culture as a shared and institutionalised phenomenon among organisational members. In addition to the cultural perspective contribution to the institutional framework, they also distinguish between the process of evolutionary and revolutionary change.

More related to the role of individual organisational members and their impact on management accounting change processes is the study by Taylor and Scapens (2016). They highlight the role of identity and image of particular organisational groups in shaping the change process, which contribute to the understanding of reasons for change, stability and resistance to change. By studying the implementation of a new management accounting system and how this was perceived by accountants 'inside' versus 'outside' the accounting department, of a large retail company, they show the difference in their perceptions was grounded in the different identities and images of the two groups. They further argue that this was due to different taken-for-granted assumptions, i.e. institutions, within the groups. Accordingly, they stress the importance of investigating the management accounting process across organisational levels and units, and recognising the institutional context in which the change takes place.

Nevertheless, as pointed out by Scapens (2006), research on the role of change agents in the process of institutional change still has received limited explicit attention and the topic has considerable potential to extend the understanding of management accounting change. On the same theme, Modell (2007) criticise the Burns and Scapens (2000) framework on the fact that although the interplay between institutionalised structures and agency serves as a key element in the framework, the framework is remarkably neglectful of *how* agency is exercised and *by whom*. Further, Burns and Scapens (2000) stress the importance of a shift in behaviour and actions of organisational members in order for institutional change to come about. Yet, the framework does not give any guidance on how the collective action patterns of organisational members should be mobilised and what role potential change agents have in bringing about change. Consequently, Modell (2007) argues that there is a need to highlight the role of management, however, management should not be viewed as value-neutral actors who rely on rational analysis and decision-making in the implementation of new management accounting systems. Rather, their ability to influence change processes is dependent on skilful utilisation of different sources of power. Modell (2007) therefore calls for a clearer conceptualisation of how the actions of individual actors, as change agents, in the transformation of rules and routines influence habitualised organisational action patterns.

2.1.3 Summary and Need for Research

To conclude, the above review of previous literature provides a mapping of the wide variety of topics researched within the management accounting change literature. Process-oriented studies have been in particular focus. The abovementioned studies within this field provide a variety of insights in understanding the management accounting change process; how it comes about and evolves across time and space. Evident in several studies are the importance of organisational members in the continuous production and reproduction of management accounting change. Although identifying the importance of organisational agents, studies such as Burns and Scapens (2000) and the following extensions of the framework do not explicitly recognise how this role should be exercised and by whom. Thus, a more detailed perspective of the role of change agents would add relevant insights to improve the understanding of the management accounting change process.

Two main opportunities for further research have been identified based on the abovementioned gap in the literature. First, the role of change agents in the management accounting change processes has been devoted limited attention in the Burns and Scapens (2000) framework. In particular, their role in a formal change process, such as the implementation of a new management accounting system, has significant potential to improve the understanding of how management accounting change progresses. Second, a conceptualisation of how the role of change agents should be exercised and by whom would provide further understanding of how management accounting change evolves. This study therefore aims to contribute to the management accounting change research by investigating the role of change agents in a formal management accounting change processes and thereby extend the Burns and Scapens (2000) framework. The following section will therefore provide a more detailed guidance of how to conceptualise the role of change agents.

2.2 The Importance of Change Agents

The importance of organisational members and behavioural dynamics of change are common features of the management accounting change literature. Numerous studies address *agency* as essential in bringing about management accounting change, indicating the importance of change agents (e.g. Burns and Vaivio, 2001; Seo and Creed, 2002; van der Steen, 2005; Busco et al., 2007). However, the literature on change agents is multifaceted in the sense that there exist numerous perceptions of who they are and their role in the change process (e.g. Cobb et al., 1995; Busco et al., 2007; Carlsson-Wall et al., 2015). It thus follows that there seems to be a lack of a common conceptualisation of change agents, while at the same time the concept is used as a taken-for-granted notion. Nevertheless, two broad themes have been identified; the change agents' role in recognising the need for change and in implementing change.

In relation to recognising the need for change, some researchers point to the inevitable theoretical dilemma of institutional change; how organisational members are able to recognise the need for change considering that their actions are constrained by prevailing organisational institutions (e.g. Seo and Creed, 2002; Scapens, 2006). In this context, Seo and Creed (2002) suggest that change agents are those organisational actors who are capable to question the existing institutional logics and are able to create awareness of institutional contradictions by mobilising organisational members in recognising the need for institutional change. In contrast, van der Steen (2005) elaborates on the importance of understanding *human agency* as a group of organisational actors in bringing about institutional change. Specifically, van der Steen suggests that although organisational actors are influenced by existing structures, they may challenge these structures by questioning cues and issues in existing management accounting practices and thereby provoking how ongoing activities are performed. Thereby, organisational members, as a group, are a source of either acceptance or resistance to change.

Burns and Vaivio (2001) suggests that change may come about either as a bottom-up or top-down initiative. Regarding the former, they argue that management accounting change may be viewed as a local concern where local actors start to question and re-evaluate existing routines, thereby representing the architects and mobilising agents of change. In the latter case, they argue that when change is viewed as a centrally-driven, top-down effort, top-management has a key role in recognising the need for change. Similarly, Cobb et al. (1995) highlight the importance of change agents, such as managers, to act as *catalysts* in initiating the change process. Busco et al. (2007) further suggests that change initiatives may be evoked as a consequence of top management being influenced by *external change agents*, i.e. individual actors outside the organisation such as management consultants. Finally, Argyris and Kaplan (1994) provides a perspective of *who* brings about change by distinguishing between *advocates* (the first individual who become aware of the new practice and launch the change project) and *sponsors* (the individual who subsequently approve the change project). The former, they suggest, could be either a lower level manager or a senior line manager, while the latter must be someone with significant budgetary control and authority.

Regarding the second theme, some studies have exclusively focused on the role of change agents during the implementation phase while other studies consider both phases and distinguish between the initiating and implementing roles of change agents. Argyris and Kaplan (1994) have in addition to the advocates and sponsors, depicted *change agents* as those individuals designated to prove the benefits of and communicate the accurate information about the new practices to the *targets* – the aimed group of individuals whose behaviour and actions are expected to change. Thus, the change agent play an important role in the process of persuading different levels of organisational members about the new management accounting system. They further recognise that the change agent may be the same individual who advocated the change. Shields and Young (1989) suggest that the individuals initiating and implementing new management accounting systems, so called *Champions*, usually are someone with a fairly high level position in the organisation. They portray *Champions* with strong entrepreneurial skills, the ability to motivate others, the political savvy of when to bend organisational rules, and the knowledge of how to acquire the resources needed for a successful implementation. Further, Chenhall and Euske (2007) describe change agents as individuals who guide a formally organised management accounting change process in a *cooperative mode* and allow the organisation and its members to take the time to *accept the relevance* of the change initiative.

Burns and Vaivio (2001) suggest that in a centrally-driven and top-down implemented effort, top management has the key role in planning, organising and overseeing the process, while the role of organisational agents at lower levels imply support, assistance and execution of top management's initiatives. Cobb et al. (1995) stress the importance of key individuals, such as managers and accountants, as change agents and their role in overcoming barriers to change and reinforcing the momentum of change. Thus, they suggest that in addition to the catalyst role, the change agent must enact their leadership role to ensure that the change process is not hindered by barriers to change. Jansen (2011) contributes with even more details on the role of leadership in the management accounting change process, and argues that the leadership style enacted by managers affect whether resistance is overcome or not. In a more recent study, Carlsson-Wall et al. (2015) particularly highlight the importance of internal change agents' social and communication skills in carrying out change. They suggest that the use of language, especially metaphors, is a powerful tool in changing organisational members' understanding, attitudes and behaviour to accounting information and financial issues.

To summarise, the above reviewed research on change agents in the management accounting change literature highlights the significance of change agents to initiate and implement the change. Figure 1 depicts the two themes identified.

Two Perspectives on Change Agents

Recognising the Need for Change

- *Organisational actors* (Seo and Creed, 2002)
- *Group* of organisational actors (van der Steen, 2005)
- *Managers* (Cobb et al., 1995)
- *Top-management* (Top-down initiative) vs. *local actors* (bottom-up initiative) (Burns and Vaivio, 2001)
- *Lower level managers* or *more senior managers (*advocates) and *higher level mangers* (sponsors) (Argyris and Kaplan, 1994)
- *External agents* (e.g. management consultants) (Busco et al., 2007)

Implementing Change

- Change agents are actors *designated* to *prove benefits of and communicate information about* new practices to targets (Argyris and Kaplan, 1994)
- *Higher level managers, Champions,* with skills and capabilities. Implementation team of *sponsor, project manager* and *integrator* (Shields and Young, 1989)
- Actors *cooperatively guiding* formal change process (Chenhall and Euske, 2007)
- *Top management* planning, organising and overseeing and *lower levels* supporting, assisting and executing (Burns and Vaivio, 2001)
- *Managers and accountants*' *leadership role* in overcoming barriers and reinforcing momentum (Cobb et al., 1995; Jansen, 2011)
- *Internal agents'* social & communication skills (Carlsson-Wall et al., 2015)

Figure 1. Overview of the identified themes in the change agent literature.

2.3 Theoretical Framework

Following the above review of studies conducted within the domain literature of management accounting change, two streams of literature have been identified as particularly relevant to provide insights in answering the research question of this paper. First, the research stream that use Burns and Scapens (2000) framework as foundation to study the process of management accounting change as the altering of organisational rules and routines provides an organisational level perspective to how management accounting change comes about. Second, the change agent literature contributes with a micro-level perspective on the significance of change agents in initiating and implementing change. Aiming to uncover the role of change agents in bringing about institutional change, this paper therefore integrates the two streams of research.

Guided by the two themes identified in the change agent literature this study distinguishes between the role of change agents during two distinct phases of a formal change process; i) in recognising the need for change and initiating change, and, subsequently, ii) in implementing the change. Consequently, the former phase provides the precondition for the latter phase to occur. Thus, studying the role of change agents through the lens of Burns and Scapens' (2000) framework (and its extensions) combined with these phases, implies an understanding of how they initially break the existing action patterns and recognise the need to intentionally alter prevailing rules and routines. Subsequently, in the implementation phase, the role of change agents is concerned with managing the transformation between existing and new management accounting practices, as illustrated by the separate boxes in Figure 2. In particular, the change agent must recognise how the implementation of new rules and the emergence of new routines are influenced by the ongoing encoding of established institutions and routines, in order to be able to mobilise organisational members (roles) to alter their prevailing action patterns. The framework as illustrated in Figure 2 will serve as the main guiding tool in presenting the findings of this study and the following analysis. An extended framework that considers the analysis of the empirical findings will be presented at the end of section 5.

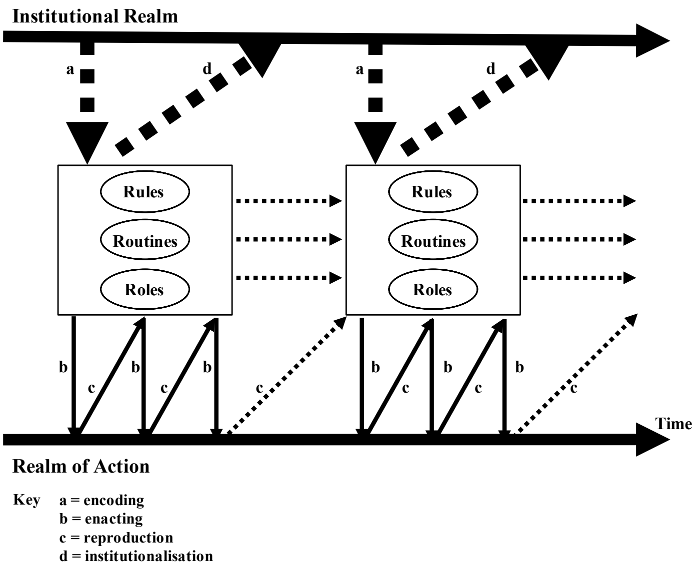

Figure 2. The process of institutionalisation adapted from Burns and Scapens (2000); Busco and Scapens (2011).

3 Methodology

Section 3 presents and motivates the selection of research design and research approach. Section 3.1 describes the design of the study. Section 3.2 and 3.3 presents the data collection and the data analysis processes, respectively. Finally, section 3.4 discusses the qualitative implications of the chosen research methods in terms of credibility, transformability, dependability and conformability.

3.1 Research Design

3.1.1 Embedded Single Case Study

With respect to the purpose and scope of this study, a qualitative embedded single case study was selected as the appropriate method. The qualitative approach is suitable within process-oriented research as it enables the researchers to interpret and form opinions about motives, social processes and the surrounding context (Holme and Solvang 1997; Langley, 1999; Bryman, 2011). Moreover, the single case study format is suitable in research that aim to gain an in-depth understanding of a phenomena as it enables researches to explore the complexity of behaviour and underlying factors (Merriam, 1994; Bryman, 2011; Yin, 2014). Furthermore, the single case study is preferable in research areas that are relatively unexplored or for which existing literature seems inadequate (Eisenhardt, 1989). Thus, as few studies had paid attention to the research area in focus – the role of change agents in bringing about management accounting change – the format was deemed suitable in this study (Scapens, 2006; Modell, 2007). It could be argued that the multiple case study provides more generalizable results as they focus on comparison across cases and thereby allow for comparative insights (Eisenhardt, 1989; Eisenhardt and Graebner, 2007). However, the single case study enables exploration of all existing relationships and dynamics in a particular social setting, thus implying that the insights drawn from it become more accurate and appropriately tentative (Eisenhardt, 1989; Dyer and Wilkins, 1991). This type of understanding was considered necessary to achieve comprehensive understanding of the behavioural dynamics in the case company and thus to answer the research questions. As several logical subunits[4] were identified in the object of study, whereof each relevant in answering the research questions, the case was split into multiple units of analysis. The single case study is thus classified as embedded (Langley, 1999).

[4] A logical subunit is a case that is that part of the company that is relevant to answer the main research question (Yin, 2014).

3.1.2 Research Approach

The two main research approaches within qualitative studies are the deductive method and the inductive method. While deductive approaches are concerned with developing propositions from current theory and test them against empirics, inductive approaches use empirical insights to generate theoretical concepts (Dubois and Gadde, 2002; Bryman, 2011). In this study, a combination of the two approaches formed the research process as theory, empirical fieldwork, and case analysis evolved simultaneously. This approach is known as systematic combining or abduction (Dubois and Gadde, 2002) and is argued to be appropriate in theorising from process data (Langley, 1999). In the beginning of the research process, a thorough review of the literature within the research field *design and use of management control systems (MCS)* and the selection of a preliminary theoretical framework laid the ground for the interview guides used during the first interviews. During these interviews, positive surprises occurred in terms of observed tensions that related to another theoretical domain, management accounting change, which led to the development of new theoretical concepts. Consequently, after a second literature review along with continuous collection and analysis of data, the preliminary theoretical framework was revised. Furthermore, the interview guides were refined to fit the theoretical development. Implicitly, the revision of the theory along the research process also implied that the research issue was redirected several times, in accordance with characteristics of systematic combining (Dubois and Gadde, 2002). As systematic combining mainly builds on refinement of existing theories, the approach was considered suitable since this study aims to extend Burns and Scapens' (2000) institutional framework using new concepts derived from empirical findings (Dubois and Gadde, 2002). The original framework was successively modified during the research process as a result of empirical findings and new theoretical insights gained from further literature review.

3.1.3 Selection of Case Company and Division

Unlike quantitative studies, which aim to draw conclusions through statistical generalisation, case studies focus on analytical generalisation, i.e. using empirical findings to reinterpret the results of existing studies or to define new research (Yin, 2014). Consequently, when selecting object of study within qualitative research, purposeful selection becomes the appropriate sampling strategy rather than probability sampling (Merriam, 1994; Maxwell, 2012). In purposeful selection, the research object is selected based on its ability to provide the knowledge necessary to answer the research questions. The case company and the division studied in this paper was selected based on two main criteria. First, the division was implementing a new performance management system at the time this thesis was written. This enabled the researchers to study the implementation process in real-time, thus providing favourable conditions for gaining understanding of the change process, especially in observing the role of change agents. Second, the divisional Management had a strong interest in the study, which facilitated the data collection as the researchers were given important access to primary and secondary data.

3.2 Data Collection

3.2.1 Type of Data

The primary data consists of semi-structured in-depth interviews and on-site observations. In total, 21 interviews were conducted with 21 people[5] on three hierarchical levels within the studied division. All interviews lasted between 45 and 120 minutes and were carried out in Sweden between September to November 2016, except for two preliminary interviews conducted at the end of June the same year. Out of the interviews, 17 were conducted face-to-face in the premises of the case company and four were conducted over telephone. Before each interview, the interview candidate was assured anonymity. As approved by the interviewees, all interviews but four were tape recorded and transcribed to secure data accuracy. Following the prescriptions of Eisenhardt and Bourgeois (1988), both researchers participated in all interviews except for two. During the interviews, one researcher was primarily responsible for posing questions and thus steering the interview, while the other one took notes and added to the questioning if necessary (Eisenhardt and Bourgeois, 1988; Eisenhardt, 1989). As argued by Eisenhardt (1989), the approach enables researchers to generate complementary insights from their different perspectives, which ultimately increases the likelihood to gain new insights. The interviews were semi-structured to allow the researchers the flexibility to pose follow-up questions to capture important aspects during the interviews (Merriam, 1994). Follow-up questions enable researchers to investigate areas previously unknown, which is necessary in the development of new theoretical concepts (Bryman and Bell, 2007). However, the interviews were structured along several themes identified in the literature, which provided structure in the data collection and in the later analysis (Bryman and Bell, 2007). As advocated by Bryman and Bell (2007), similar questions were posed to the interviewees to ensure objectivity and volume in the data collection, although some adjustments were made to account for their different organisational roles.

[5] For a detailed description of the interviewees, see appendix 1.

In addition to the in-depth interviews, the primary data consists of six and a half hours of on-site observations. In total, the researchers participated and took notes during four employee meetings; one at division level and three at subunit level[6]. After each meeting, observations were discussed and summarised to comply with the '24-hour' rule[7] (Eisenhardt and Bourgeois, 1988). Beyond primary data, complementary secondary data such as internal documentation in terms of decision-making material and formal project descriptions was collected during the interview process.

3.2.2 Triangulation of Results

The use of multiple data collection methods within case studies is encouraged as it enables triangulation of results which, in turn, provides stronger substantiation of constructs and hypotheses (Eisenhardt, 1989; Dubois and Gadde, 2002). In this study, the combination of rigour primary data and complementary secondary data has enabled a thorough understanding of the implementation process and the surrounding institutional context. Specifically, the semi-structured interviews enabled in-depth understanding of the continuation of the implementation process, and the interviewees' actions and perceptions. Insights derived from the interviews was subsequently verified through observations from meetings in which the interviewees interacted with peers and seniors. Secondary data in the form of formal project descriptions ensured understanding of the new performance management system. Further, decision-making documents were used to verify findings from the primary data and increased the understanding of the formal organisational roles. Lastly, the researchers were in continuous interaction with their supervisor at the case company, who acted as an important information provider along the research process. Accordingly, the researchers asked clarifying questions regarding organisational roles and structures that enabled a profound understanding of the organisation.

3.2.3 Selection of Interviewees

Having generated initial insights about the implementation process through preliminary interviews with two individuals from the Division Management[8] a first list of interview candidates was formed. As the division consisted of several subunits, each involved in the change project, it was considered important to collect the perspectives of all subunits Managers

[6] For a detailed description of the meetings, see appendix 1.
[7] The "24 hour" rule requires that detailed interview notes and impressions are completed within one day of the interview (Eisenhardt and Bourgeois, 1988).
[8] The Division Manager and the Division Change Driver, the roles are described in further detail in the Empirics Section.

to create a holistic picture of the implementation. Thus, a first round of interviews was conducted with the Subunit Managers. Analyses of these first interviews resulted in the generation of new empirical insights, which, in turn, provided the foundation for the selection of the subsequent interviewees. Specifically, as all subunits were identified as important units of analysis, two additional managers at lower levels in each subunit were selected. In total, interviews were conducted with employees at three hierarchical levels; two at Division level, five at Subunit level and eleven at Lower Subunit levels. Moreover, additional interviews were conducted with two employees at group level and with an external consultant, who all had been involved in the implementation process, to increase overall understanding and gain further insights.

3.3 Data Analysis

As the study used a systemic combining approach, data analysis was interwoven with data collection. During the research process, data collection was combined with continuous analysis, which generated empirical insights and guided subsequent data collection. As aforementioned, the interviews were structured along several themes identified in the literature, which facilitated synthesis of data. Particularly, the researchers processed the data by coding the transcripts and field notes into several themes based on previous literature and on new empirical themes that had aroused throughout the data collection. The coding of empirical data was compiled into summarising tables which laid the foundation for the final synthesis.

Since this study aims to explore the role of change agents in bringing about institutional change through the lens of Burns and Scapens (2000), the empirical findings were analysed against the theoretical framework outlined in section 2.3. In studying management accounting change, the framework highlights the importance of considering existing institutions and routines as the ongoing reproduction of the latter inevitably will influence the implementation of new rules and the creation of new routines. As the case company was a large multinational corporation with decentralised subunits, it was deemed necessary to analyse existing institutions and practices in the division and within the five subunits to obtain a comprehensive understanding of the organisational context. Although previous literature has focused on analysing existing practices at organisational level, the subunits were perceived as individual organisations, comprising their own routines encoding existing institutions, that needed to be analysed separately.

3.4 Research quality

As prescribed by Lincoln and Guba (1985) credibility, transferability, confirmability and dependability are used as trustworthiness criteria to ensure rigor of qualitative research.

3.4.1 Credibility

Credibility concerns the truth of the research findings, thereby discussing the interpretations made by the researchers, and the findings ability to capture reality (Lincoln and Guba, 1985). To increase credibility, both researchers analysed all findings separately in a first step and subsequently discussed the individual interpretations, thus lowering the risk of researcher bias. Furthermore, the use of triangulation (i.e. the use of multiple and different methods, researchers and data sources) has increased the credibility as the researchers could validate insights from different data points throughout the research process (Lincoln and Guba, 1985). Lastly, similar questions were posed to the interviewees for further confirmation of insights and interpretations.

3.4.2 Transferability

Transferability relates to the degree to which the results of qualitative research can be transferred to other situations and contexts with other respondents (Lincoln and Guba, 1985). The transferability criteria place high demands on the sampling process. To increase transferability, this study used purposeful sampling when selecting the interview candidates, as suggested by Lincoln and Guba (1985). Thus, the interview candidates were selected based on their ability to answer the research questions. Moreover, the use of a systemic combining approach implied that the sampling became a continuous process where sampling and data analysis were interwoven, as suggested by Dubois and Gadde (2002).

3.4.3 Dependability

Dependability concerns the repeatability of the study and thus assesses the possibility of another researcher arriving at the same result and conclusions if following the same procedures and conducting the same study in the same context (Lincoln and Guba, 1985). Ensuring dependability within qualitative studies becomes problematic as it is impossible to exclude contextual and social conditions' impact on the results. To increase dependability, all relevant information and detailed descriptions of the research process have been documented and stored in an own database to show how the data was collected (Lincoln and Guba, 1985).

Documentation includes raw data, interview guides, a detailed list of the interview candidates[9], interview and observation notes, documents, records and transcripts from the field. Moreover, as the data was first analysed separately by both researchers and subsequently compared, any inconsistencies in interpretations were addressed and clarified. Lastly, the use of triangulation further increases the dependability of this study (Lincoln and Guba, 1985).

3.4.4 Confirmability

Confirmability refers to the degree to which the results of a study can be confirmed or verified by other researchers and concerns establishing that findings are shaped by the respondents and not by the researcher bias (Lincoln and Guba, 1985). The documentation and storing of all relevant information increases the confirmability of the study by providing visible evidence that the researchers did not simply discover what they set out to find. Furthermore, the use of triangulation increases the confirmability of the study.

[9] For a detailed description of the interviewees, see Appendix 1.

4 Empirics

This section presents the findings of the case study, focusing on the roles involved in the implementation of the formal change initiative. Section 4.1 briefly introduces the case company and the context in which the study was conducted. Section 4.2 describes the new management accounting practices and outlines the roles assigned for the deployment. Section 4.3 outlines the prevailing institutional context at the time of the introduction of the change initiative. In section 4.4 key roles in the initiation of the change project are presented. Section 4.5 outlines four ways of deploying the new management accounting practices. Finally, Section 4.6 provides an overview of the findings.

4.1 Company Description – Global Inc.

Headquartered in Sweden, Global Inc. is a multinational company operating in a vast number of countries worldwide. The business is organised according to business units (BU), across several regions. The BU within which this case study took place is structured according to different functions such as product affairs, development, supply, and support functions. This study investigates the development division which is divided into several subunits (see Figure 3) that each are responsible for the development of multiple products within their specific product area and vary in size from 1,000 to 3,000 employees.

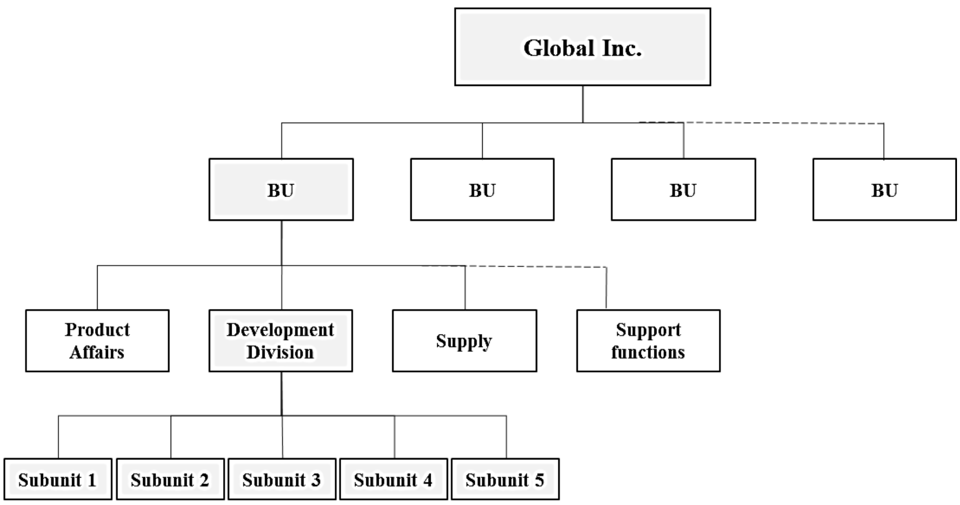

Figure 3: Simplified organisational chart.

Global Inc. operates in a rapidly and continuously changing environment where product and service innovation and development are essential to stay competitive. Increased competition globally has implied slower sales growth and eroding margins in recent years, which is expected to continue to pose a great challenge for Global Inc. in the coming years.

Following financial poor performance, a broad range of change initiatives have been initiated to address areas of improvement. Among these are the introduction of a new operational performance management system (OPM). The new management accounting practices aim to ensure that Global Inc. stays competitive by measuring, evaluating and managing performance to continuously improve and create transparency.

4.2 The Formal Change Initiative

4.2.1 The Operational Performance Management System

OPM provides a comprehensive and systematic approach to manage performance by analysing facts and taking actions to ensure operational improvement and achievement of strategic objectives. Thereby creating a practical link between the strategy and improvement processes. The OPM is aimed at being used across Global Inc.'s BUs and organisational levels. The OPM, as it is formally described, consists of four elements: 1) Targets and Ambition Levels; 2) Performance Dialogues; 3) Performance Metrics; 4) Performance Culture (see Figure 4).

Figure 4. Operational Performance Management System (OPM).

Performance is managed across six balanced dimensions aiming to address key improvement areas in product development. Common top key performance indicators (KPIs) are defined for each of the six dimensions and selected to be relevant across all units in Global Inc.. Targets for these top KPIs should be set to align with long term ambition levels for continuous improvement. The top KPIs are supported by organisation-specific performance indicators (PIs), selected and defined by each subunit. A performance measurement system is used for automated data collection, summary and visualisation on dashboards of the different levels of measurements, PIs and top KPIs. Furthermore, the OPM model emphasise that data presentation on different organisational levels should always be presented together with analyses and applicable improvement actions.

The core element of OPM is the performance dialogues through which insights about performance improvements are understood and made transparent. Through thorough analyses of performance measurement levels in each dimension, problems and improvement areas are identified and turned into specific actions that contribute towards long term ambitions. The target setting and performance metrics structure thereby provide the necessary input to enable ongoing performance dialogues. To maximise accountability for improvements and embed performance management practices across the organisation the performance dialogues should be held bottom-up, at three different organisational levels where each level feeds into a continuous improvement feedback loop. First, working level dialogues per dimension should run every other week at Lower Subunit level. Second, at the monthly Subunit level dialogues the Subunit Management should discuss performance cross all dimensions. Finally, ending on the quarterly Division level dialogues the Division Management, including all Subunit Managers, should focus on executive, high level performance overviews. Thus, leaders on different organisational levels participate in the dialogues, which enable them to take part in the improvement process and contribute within their scope of responsibility.

4.2.2 Roles Assigned in Deploying OPM

Investigating the role of change agents in the OPM implementation across organisational levels in the division, the study identified individuals at Division level and Subunit level that formally had been assigned key responsibilities in the OPM deployment. At Division level, primarily two individuals were involved in the OPM deployment: the Division Manager and the Division Change Driver. Moreover, in each subunit three positions were identified that had been assigned key roles in the OPM deployment: the Subunit Manager and two Lower Level Manager positions. The responsibilities of the different formal roles are described in Table 1.

Unit Level	**Position**	**Formally Assigned Role in the OPM Deployment**
Division	**Manager**	• Ultimately responsible for the progression of OPM across the division • Delegate executing responsibility to Subunit Managers
	Change Driver	• Responsible to practically drive the deployment of OPM • Coordinate and chair review and progression meetings at Division level
Subunit	**Manager**	• Ultimately responsible for the OPM deployment in the subunit • Report deployment progression to the Division Management • Assigning executing responsibility to appropriate Lower Level Managers
	Lower Level Managers	• Coordinate the change project within the subunit • Responsible to drive the OPM deployment within the subunit

Table 1: Summary of positions assigned key responsibilities in the OPM deployment.

4.3 The Institutional Context

In accordance with Burns and Scapens (2000), prior to exploring the deployment of OPM within Global Inc. there was a need to acknowledge the existing institutions and routines since these tend to shape the adoption and reproduction of the new management accounting practices. Being a decentralised multinational company, it was observed that each subunit within the division to a large extent acted as its own organisation. Consequently, diverging institutional contexts prevailed in each subunit. Due to the subunits different operations numerous local measurement systems, such as the Balanced Scorecards, had prevailed. However, no formal performance management system existed neither across Global Inc. nor within the subunits. In order to understand the challenges involved in implementing the division wide performance management system, the existing institutional context in each subunit at the time of the introduction of OPM was identified and outlined in Table 2.

	Institutions	**Rules**	**Routines**
Subunit 1	• Heroic culture, resistance towards presenting red figures • Agile mind-set not entirely established • Strong engineering culture • Change initiatives viewed as short-lived due to prior experience	• Budget targets • Short-sighted KPIs	• "Control and command" structure • Manual work in Excel • Quarterly targets measured and presented but no concrete actions
Subunit 2	• Mixture of institutions (newly formed from three units) • Semi-established agile mind-set	• No formal system	• No routines established
Subunit 3	• Deeply rooted agile mind-set • Transparent culture • Perceived political objective among higher level management	• Governance structure established including operations and improvements of system • Activities flexible if within boundaries and values of subunit	• Lean and agile procedures • Quarterly challenges related to long-term vision • Frequent meetings (e.g. Strategy Execution meeting discussing challenges, impediments and improvements)
Subunit 4 (Pilot)	• Strong engineering culture • Semi-established agile mind-set	• "Football field" containing many measurements	• New practices up and running as prescribed by guidelines – e.g. performance dialogues at two levels and active use of dashboards
Subunit 5	• Agile mind-set not entirely established • Resource- and cost oriented focus • Change initiatives viewed as short-lived due to prior experience • Heroic culture, resistance towards presenting red figures	• Performance dashboards (using metrics to monitor and steer)	• Targets updated quarterly • Manual work, much time spent on tables in Excel

Table 2: Existing institutions, rules and routines in the five subunits at the time of the introduction of OPM.

4.4 Recognising the Need for Change

To understand the background to the introduction of OPM it is necessary to place it in the context of the lean transformation that had been in progress in Global Inc. over the past years. The need of incorporating continuous improvement and transparency into the management systems and company culture has been recognised as fundamental to succeed long term with the transformation from functional to lean organised workflows. Consequently, there had been an increased emphasis on evaluating, measuring and managing performance to systematically drive competitiveness in the product development. Nonetheless, as aforementioned numerous local, but no company-wide, performance measurement systems existed. Yet these were not explicitly used to effectively steer the businesses.

The introduction of OPM was placed on the agenda by the Division Management after recommendations from management consultants to transform the existing performance measurement approach across the division to become more of a steering tool for operational performance. Specifically, the Division Manager and the Division Change Driver acted on the management consultants' recommendation, motivated the need for change and gained executive approval from BU management to deploy the new practices. Beginning as a pilot project within two selected subunits, OPM had become a key initiative in ensuring that performance management was effectively used to continuously improve operations and create transparency at the time of the study. Since the beginning of 2016, OPM had developed into full scale deployment across the division and several BUs.

4.5 Deployment of OPM

4.5.1 Deployment of OPM at Division Level

The Division Manager inevitably had the ultimate responsibility for the progression of OPM. However, also having other important points on his agenda, the Division Manager emphasised that a delegating approach was necessary for him to steer the organisation. Nevertheless, numerous interviewees recognised the Division Manager's constant attention and support as vital for the continuous progression of the OPM deployment. The Division Manager confided his complete trust and confidence in delegating the practical responsibility to drive the OPM deployment across the division to the Division Change Driver, who had supported OPM from day one, and therefore was recognised as a key individual in the OPM implementation process.

Over the course of the OPM initiation and implementation, the Division Manager's role and the intensity of his involvement had changed. The Division Manger had the ultimate executive role regarding the OPM design and how to implement OPM. As the implementation progressed the Division Manager's role developed from creating buy-in among the Subunit Managers to gradually delegate the responsibility of the OPM execution to the Subunit Managers. At the time of this study, the Division Manager's role was thus more concerned with his leadership:

> "*As a leader in my type of role, it has to be very obvious to everyone that you are behind it. It's even surprising sometimes how important this is that people know that you care. So that's what I try to do and you can't do it with everything.*"

Accordingly, his continuous support and prioritisation of OPM as a key point on his agenda was recognised as essential for the continued OPM deployment, especially in its early phases:

> "*It has to be supported, especially in this initial phase, by people like me, with roles like me. Afterwards they become a part of the culture, maybe in five years' time then this will be so embedded you don't even have to think about it. But if that's going to happen then we need to make it even more relevant.*"

Thus, he recognised his responsibility to ensure that OPM was perceived as relevant and useful by the users, especially by the Subunit Managers. Otherwise, the Division Manager pointed out, the Subunit Managers would merely use OPM as something on the side, to satisfy directions from above. The Division Manager highlighted the importance of incorporating OPM, especially as a performance management technique, into existing routines such as meetings; in leadership, employee and project meetings. The most important individuals in this stage of the process, the Division Manager argued, were the Subunit Managers – their level of engagement, support and belief in OPM – as they were ultimately responsible to deploy OPM.

The Division Change Driver was recognised by interviewees across subunits and hierarchical levels as the key individual and driving force in the introduction, including the pilots, and the continuous deployment of OPM within the division. For instance:

> "*Champions such as him [the Division Change Driver] has been engaged and involved. He does not loosen his grip on this.*"

Being practically responsible to drive the OPM implementation, the Division Change Driver had an intermediary role between the division and subunits and was in this sense described as 'the spider in the web'. One of the Lower Level Managers in subunit 3 described him as understanding and perceptive of the different operational needs of the subunits and enacting a balanced approach in steering and delegating responsibilities to the subunits. Thereby, the Division Change Driver allowed the subunits to adapt to OPM in their own way. At the same time, his role included coordination and follow up on the subunits' progression with the deployment. To follow up on the progression of OPM the Division Change Driver scheduled and chaired division wide navigation meetings every other week where subunit Lower Level Managers provided updates on the deployment process, shared difficulties and potential solutions. As such, this forum enhanced cross subunit learning and collaboration in achieving a common performance management system. The Division Change Driver pointed out himself during one of those meetings that the Subunit Managers were ultimately responsible for the continuous improvement of their subunits. Thus, similar to the Division Manager, he emphasised the role of the Subunit Managers in the implementation process.

4.5.2 Deployment of OPM at Subunit Level

In studying the progress of the deployment in the subunits, four distinct ways of implementing the new practices were identified, namely: Embedded, Decoupled, Compliance, and Emerging.

The Embedded Case: Subunit 3

The main observation across the interviews in Subunit 3 was how this subunit had applied OPM in their own way. All interviewees were unanimous in their views and emphasised the importance of embedding the new measurements and performance management practices in existing institutions and routines to prevent OPM to become a separate activity. The Lower Level Managers highlighted the importance of allowing all subunits the flexibility to adapt OPM to their specific organisational conditions and structures. For instance, one Lower Level Manager described how the performance dialogues were incorporated into the subunit's existing weekly strategy execution meetings and that some projects were assigned responsibility to implement and conduct analysis, follow-ups and dialogues:

> "*We involve the activities conducted within the scope of OPM (...) and we have tried to implement the dialogues in our existing culture; it could be through the different*

forums of the program function or likewise. To avoid that it becomes a separate side-track (...) it is a local adaptation of the theoretical model so to say."

The step-by-step integration of OPM into existing structures was achievable because the principles of transparency and continuous improvement already were well established in the subunit through the prevailing lean and agile orientation within the organisation, thereby consistent with the long term purpose of OPM. One Lower Level Manager even pointed out that the reason to embed OPM in their operational structure was that they perceived OPM as beneficial, and not to pay lip service to higher level managers.

Evident throughout the interview with the Subunit Manager and observations from the Division level performance dialogue was the Subunit Manager's passion for the lean and agile principles of working. During these occasions, the Subunit Manager constantly tied the OPM discussions to the impact on the lean and agile transformation. For the Subunit Manger, OPM was more of a tool to measure and ensure transparency and continuous improvement to achieve the objectives of lean and agility. Inevitably, the Subunit Manager's focus seemed to impact how OPM was perceived and adopted in Subunit 3.

The interviews with the Lower Level Managers provided further evidence of the deeply rooted lean and agile mind-set in the subunit and its impact on the OPM implementation. Their perceptions were unanimous with the Subunit Manager's regarding the alignment of OPM with their prevailing institutions; transparency and continuous improvement were already established within the subunit, as pointed out by one Lower Level Manager:

> "*We have a very open dialogue. We have a Subunit Management, a Subunit Manager, who encourages clarity. We do not have to massage anything, we present reality as we see it and can discuss on the basis of that. And there is no slap on the wrist and go home and do your homework, it is not that discussion. You can think what you want and express it. Then our Subunit Manager has some clear values with which he steers the subunit. As long as you steer towards those values you are given free rein.*"

Nevertheless, one Lower Level Manager stressed the importance of communicating the relationship between existing institutions and routines, and the new practices, especially to the individuals deploying OPM. To achieve this understanding and create buy-in among employees, the purpose and benefits of OPM were communicated during several internal meetings in which the Lower Level Managers participated and provided input when necessary. Besides having formal responsibility of allocating resources to the deployment and adapting OPM to the existing operational structure, one of the Lower Level Mangers also advocated OPM and participated as coach at meetings such as preparations for the weekly strategy execution meetings. The other Lower Level Manager, whose responsibility concerned governing the progress of OPM within the subunit, recognised the importance of continuously initiating progression. The Lower Level Manager believed that coaching and supporting the employees throughout the process was essential to embed OPM in the subunit's operations. Nonetheless, the Lower Level Manager perceived that communication from higher level managers regarding the purpose of OPM was inadequate, which made the role of the Lower Level Managers' even more important considering the top-down nature of OPM.

The Decoupled Cases: Subunit 1 and Subunit 5

Case 1: Subunit 1

The situation in Subunit 1 was rather different compared to Subunit 3. Beyond the evident and strongly rooted engineering culture, two common perceptions among the interviewees in the subunit was observed during the interviews and navigation meetings. First, OPM was difficult to adapt to the subunit's hardware product development operations, especially as the interviewees perceived OPM to be designed according to software production. The interviewees specifically raised concerns regarding common measurement definitions as these were deemed inappropriate to measure hardware production. Thus, the subunit struggled to find appropriate definitions to measure performance of their operations. Second, the Subunit Manager and one Lower Level Manager believed that there was a lack of sufficient resources to establish the OPM structure, specifically the performance dialogues. Consequently, much attention and resources were focused on trying to define and report measurements upwards rather than to deploy the necessary structures and tools to support the implementation of the performance management practices and communicate the relevance and benefits of OPM. Measurements were therefore reported as a separate activity, based on established practices, to meet directives from above, and performance dialogues were not yet organised on an ongoing basis at any level in the subunit.

The Subunit Manager recognised the need to embed the performance management practices in the subunit projects, thereby in the day-to-day actions of the employees, in order for OPM to be rooted at lower levels. However, the Subunit Manger perceived OPM as too top-down initiated and consequently the implementation depended significantly on the attention dedicated by the Subunit Management. The Subunit Manager argued that to create buy-in for OPM at the grass root levels, OPM had to be more bottom-up; there needed to be a pull from the organisation and not merely a push from BU management. Although the Subunit Manager had spent time and effort to synchronise the Subunit Management since the beginning of the year, the Subunit Manager still struggled to make them prioritise OPM and support the Manager in putting OPM on the agenda. One Lower Level Manager further pointed out that the Subunit Management failed to prioritise attending weekly dialogues organised by lower levels. Thus, the Lower Level Manager emphasised the role of the Subunit Manager and Division Management to constantly put OPM on the agenda and communicate the purpose.

In contrast, the other Lower Level Manager was sceptical towards OPM. The Lower Level Manager believed the main purpose was to reduce costs rather than improving transparency and creating a culture focused on continuous improvement. According to the Lower Level Manager, the OPM initiative was merely one in many short-lived top-down initiatives in Global Inc. that would not last more than a couple of years. As such, the Lower Level Manager described the system as yet another template to fill in.

> "*We are quite good at changing direction. We manage to hang on to something for two years and then we lose it (...) When we find something that we believe is revolutionary, then we want to do a quick fix and everyone jumps on it, and after two years it is forgotten again. I have seen several such initiatives during my employment (...) and when I look back ten years, not many of the initiatives remain.*"

Although the other Lower Level Managers discussed and realised the benefits of OPM, they mainly emphasised the challenges faced by the subunit. Beyond the two abovementioned concerns, one of the Lower Level Managers stressed that the prevailing heroic culture in the subunit with resistance towards presenting red figures comprised a significant barrier to implement principles of transparency and continuous improvement. The Lower Level Managers emphasised the need to transform the employees' mind-set from favouring 'green-number-reporting' and assuming a negative attitude towards revealing 'red numbers' to embrace a positive attitude towards improvements. Accordingly, they argued for the need of clear communication regarding OPM not being concerned with comparison between subunits at higher levels, which inevitably would result in a failure to transform the existing mind-set and behaviours. In addition to improved communication efforts regarding the purpose of OPM, one of the Lower Level Managers reasoned that the subunits must be allowed the flexibility to adapt to OPM according to their specific operations. However, the Lower Level Managers had not been particularly engaged in the OPM deployment, rather they had delegated the responsibility to lower levels.

Case 2: Subunit 5

Similar to Subunit 1, OPM was reported as a side-activity rather than as an integrated part of the existing practices. As in Subunit 1, the operations in Subunit 5 were primarily comprised of hardware product development. Although none of the interviewees in Subunit 5 explicitly raised concerns about the use of common performance measurement definitions for software and hardware production within OPM, the subunit had set up complementary internal measurements that were deemed more relevant for the subunit's operations. Moreover, a perception observed among all interviewees was that the Subunit Manager and the Division Management had directed insufficient attention to OPM, which, in turn, had resulted in limited prioritisation among Lower Level Managers.

> "*If we are to succeed with OPM it has to come from the top, there must be a clear commitment from higher level managers. And this must be shown in action, otherwise it will not happen (...) The Subunit Manager must lead by example, because the organisation will not do as the Subunit Manager says, it will do as the Subunit Manager does. And that applies at all levels.*"

The Subunit Manager had deprioritised OPM largely due to a prevailing reorganisation of the subunit. Nevertheless, the Subunit Manager recognised the importance of performance dialogues in transforming the existing heroic culture with resistance towards presenting red figures to a culture embracing transparency and continuous improvement. Yet, the Subunit Manager pointed out that the subunit merely had focused on measurements hitherto. The Subunit Manager did not believe that the subunit neither had "the luxury" to prioritise flow optimisation nor change initiatives such as OPM, due to a strong cost-oriented focus from BU management. The Subunit Manger pointed out, however, that the BU management previously had showed greater interest in OPM as the former BU Manager was a strong OPM advocate.

In similarity with the Subunit Manager, the Lower Level Managers generally seemed to understand the benefits of OPM. However, the engagement among the Lower Level Managers appeared to be relatively low. The Division Change Driver even explained that he had to “push” one of the Lower Level Managers to engage in the implementation of OPM. In alignment with the Subunit Manager, the Lower Level Managers found it difficult to establish a culture of transparency and continuous improvement because of the prevailing focus on cost reductions from higher hierarchical levels. Additionally, due to previous experience with change initiatives, they did not believe they would be able to fully implement OPM until “the next cost reduction” would come about.

Although recognising the importance of continuous improvement, one of the Lower Level Managers did not perceive OPM to be particularly different from previous measurement systems but rather described it as *“common wisdom packed in a good way”*. The Lower Level Manager had been involved in coaching employees involved in the implementation of OPM, but did not perceive the role to include accountability for the OPM implementation. The other Lower Level Manger, on the other hand, had assigned a handful of meetings encouraging employees to discuss in a ‘Performance Dialogue style’. However, the Lower Level Manager perceived a lack of perseverance and attention from the Subunit Manager and the Division Management. Accordingly, the Lower Level Manager emphasised that higher level managers, particularly the Subunit Manager, had to ‘walk the talk’ by prioritising OPM. Besides the limited attention from the top, the Lower Level Manager further believed that the Division Management had provided insufficient resources to support the OPM deployment.

The Compliance Case: Subunit 4

Evident throughout the interviews in Subunit 4 was that OPM largely was adopted in accordance with the prescribed guidelines. Being the pilot subunit, the OPM deployment had in contrast to the other subunits been in progress over the past two years and the subunit had been involved in modifications of the OPM model along the process. Thus, the governance structure as well as the implementation of new routines imposed by the OPM ‘rules’ appeared to be established throughout the subunit. The Subunit Manager recognised that the efforts put into automating the measurements and providing access to all employees on daily performance updates enabled Subunit Manager to drive continuous improvement and transparency in the subunit. Thus, this provided improved input to the monthly running performance dialogues at Subunit and Lower Subunit level, for which assigned line teams worked with sub objectives for the different dimensions.

Although OPM seemed to be well established in the subunit and the Subunit Manager perceived that buy-in was not an issue among the leading positions, the Subunit Manager still recognised that efforts were necessary to create buy-in for OPM at lower levels.

One of the Lower Level Manager even argued that the Subunit Manager struggled with buy-in among the lower levels. The Lower Level Manager further emphasised the importance of higher level managers, especially the Subunit Managers, to 'walk the talk' and argued that their attitude was vital for the deployment of OPM. In accordance with the Lower Level Manager, the Subunit Manager acknowledged the importance of the Subunit Managers' role as leaders; to 'walk the talk', advocate OPM and communicate the relevance and benefits of OPM. The Lower Level Manager suggested that the first step was to educate the leaders, to 'train the trainers', and make them understand the purpose and the benefit of OPM. Second, the leaders needed to educate the Lower Level Managers, who in turn should communicate the message to the employees. Accordingly, the Lower Level Manager argued for the need to adopt different leadership styles depending on the group of individuals that the communication was aimed at.

The Subunit Manager argued that empowering and involving Lower Level Managers to make decisions locally was the best way to create buy-in across the subunit. One of the Lower Level Managers also recognised that the most beneficial and effective change was achieved through lower level involvement, when OPM was driven from within their projects, i.e. when the projects were made the foundation for utilising OPM. Thus, the Lower Level Manager had tried to make project managers responsible and encouraged them to use performance management as a technique to improve, instead of having OPM as something on the side. To achieve an integration of OPM, the Lower Level Manager argued:

> "*You need to be very clear about the benefits of the initiative. You need to produce and communicate tangible examples on what's in it for them. Then people might actually start believing that it will make a difference. They need to see the actual impact of things. 'You have to give them your key successes'.*"

Nonetheless, the Lower Level Manager pointed out that OPM implied a significant mind-shift in terms of understanding what needs to be improved, but also in viewing improvement in a bigger context. Accordingly, communicating the benefits once was not considered enough for such transformation. Thus, the Lower Level Manager had at the time of the study organised a 'second round of communication' aimed to educate the lower levels about OPM. The Lower Level Manager argued that those with leading positions needed to recognise that the shift would occur over a longer period of time and that they needed to constantly encourage, coach and support people in pushing their boundaries – to make them realise that their own role is a key part in the change process:

"*I think it is mind-set. That is why I'm talking about OPM being a database and performance management a technique. So a lot of this is about the performance management technique. And it is about how you ingrain those in people doing their day-to-day job and thinking how they can improve in their day-to-day job. That is a really big mind set shift for some people.*"

The Emerging Case: Subunit 2

In contrast to the other subunits, Subunit 2 was formed in the beginning of 2016. The OPM implementation had therefore proceeded in parallel with establishing the infrastructure of the subunit including for instance the appointment of a new Subunit Management. Being a merger of three organisations, comprising hardware and software operations with diverse operational practices and principles, one of the Lower Level Managers emphasised the need to unite the three prevailing institutional strands and create a common culture for the subunit, preferably in alignment with the OPM principles. Inevitably, the reorganisation had implied a slower speed of the OPM deployment. Thus, the Lower Level Mangers highly valued that the OPM model was 'pushed out' by the BU management in early 2016, providing guidelines on measurement, analyses, action plans and performance dialogues. Despite the challenges inherent with being a newly formed subunit, the subunit seemed to have quickly organised monthly occurring performance dialogues at Subunit level.

A contributing factor to the fast development in the subunit was that the Subunit Manager strongly advocated the importance of incorporating the OPM deployment in the formation of the subunit. Being the former Subunit Manager of the pilot subunit, the Subunit Manager believed that continuous measurement was a prerequisite to quickly obtain feedback and identify improvement areas and that OPM enabled such development to progress within the subunit and across the division. The Subunit Manager also recognised the importance of transparency, especially regarding the deployment of OPM, and had therefore from the beginning proclaimed open and transparent behaviours across organisational levels:

"*Therefore, I said, all measures we produce should be public so that they are accessible to every employee. Because I do not want any 'hush, hush, you have poor productivity', rather my proposition has always been to share the truth.*"

Similar to the Subunit Manager, one of the Lower Level Managers had also been involved in the pilot subunit and thus advocated continuous improvement. Both Lower Level Managers highlighted that OPM should not be too top-down formatted and targeted only towards the higher level managers. Rather, they argued that OPM should involve the employees at lower levels, who would carry out the actions, in the discussions of the performance measures in order for them to see the benefits of changing. One of the Lower Level Managers added that it was essential to "push the frames and pull the content"; it was not enough to push out the OPM model, but the leaders needed to understand what drives and motivates the employees to deploy OPM. Specifically, the employees needed to understand how changing their behaviour to embrace continuous improvement would benefit them in their day-to-day actions. Yet this, the Lower Level Managers argued, would not only require that the appropriate people were appointed for the established roles, but also that the people responsible for deployment had the interest and ability to drive and lead the project. One of the Lower Level Managers emphasised commitment and leadership to be essential; the people responsible needed to actively work to follow up the progression of the deployment. The Lower Level Manager further highlighted the importance of transparency and continuous communication of the purpose of OPM to involve employees at all levels and delegate the transformation to the employees. Regarding their own contribution, the Lower Level Managers had worked with the Subunit Management to constantly create awareness of OPM and remind them of the monthly reporting and discussions.

However, the Subunit Manager and one of the Lower Level Managers had acknowledged a declining interest from the BU management due to, which they recognised was a consequence of the resignation of the former BU Manager who strongly advocated OPM. The Subunit Manager furthermore revealed that OPM had not been a priority on the agenda on the Division Management meetings during the past six months at the time of the study. Consequently, due to the BU and Division Managements' lack of attention, the pace of the OPM deployment across the division had decelerated in recent months. Therefore, the responsibility to energise and drive the implementation of OPM had been allocated to the subunits, specifically the Subunit Managers:

> "*You need someone who is interested and drives the questions. So, now it is rather we, ourselves, who are the drivers.*"

4.6 Overview of the Findings

Hierarchical level	**Recognising the Need for Change**	**Implementation Phase**
Senior Management Level *(Division Managers)*	• Recognised the need to change (after recommendations from management consultants) • Motivated need for change to gain executive approval from BU Management	**Division Manager** • Gradually delegated responsibility • Supported and prioritised OPM by participating in Division level dialogues **Division Change Driver** • Driving force in the continuous deployment of OPM • Balanced steering and delegating responsibilities • Perceptive of the different operational needs of the subunits • Supervised, coordinated and followed up progression in subunits
Middle Management Level *(Subunit Managers)*	• No specific action	**Embedded** • Advocated alignment between OPM and prevailing institutions • Allowed flexible adaptation of the system **Decoupled** • Did not prioritise OPM, insufficient attention directed • Did not engage in communicating purpose and benefit of OPM **Compliance** • Limited attention directed to and insufficient advocating of OPM • Delegated responsibility to integrate OPM at lower levels • Insufficient communication efforts throughout subunit **Emerging** • Strongly advocated importance of incorporating OPM in subunit • Proclaimed openness and transparency
Lower Management Level *(Lower Subunit Level Mangers)*	• No specific action	**Embedded** • Advocated alignment between OPM and prevailing institutions • Participated in internal meetings and communicated benefit of OPM • Coached, supported and continuously initiated progression **Decoupled** • Managers did not prioritise deployment of OPM • Delegated responsibility to lower levels • Disclaimed their responsibilities **Compliance** • Organised communication efforts throughout subunit • Acknowledged need to provide constant support and coach employees deploying OPM and to 'train the trainer' **Emerging** • Advocated involvement of employees at lower levels • Worked with subunit Management to constantly create awareness

Table 3: Summary of findings: the roles of the managers in Global Inc. in: (1) the recognition of the need for change and (2) in the early implementation phase.

5 Analysis

This section presents the analysis of the empirical findings in relation to previous research in order to answer the research questions. Section 5.1. provides an analysis of the role of change agents in relation to the framework outlined in section 2.3. Section 5.2 conceptualises the role of change agents by analysing the findings against previous research. Lastly, section 5.3 presents the contributions of this paper by extending the Burns and Scapens (2000) framework with the role of change agents.

5.1 The Role of Change Agents in Bringing About Institutional Change

The empirical investigation and interpretation of the role of change agents in bringing about institutional change is not a trivial task to pursue. Nevertheless, by analysing the empirical findings from Global Inc. through the theoretical framework outlined in section 2.3, this paper confirms and provides additional depth to the role of change agents in bringing about institutional change. Thus, relating the findings to the two distinct phases identified in the theoretical framework, the analysis answers the research questions set out in the introduction:

1. *What role do change agents have in the process of institutionalising formal management accounting changes?*
2. *Who are the change agents and what does their role entail?*

5.1.1 Recognising the Need for Change

The findings demonstrate and thereby support the claim by Busco et al. (2007) that external change agents, such as management consultants, may constitute an important role in provoking Senior Managers to recognise the need for change. In Global Inc., the external change agents acted as catalysts for the Senior Management to recognise the need for change and subsequently initiate the formal change project. Hence, in contrast to Cobb et al. (1995) who claim that managers act as catalysts in initiating change, the case of Global Inc. suggests that such catalyst role rather is enacted by external than internal change agents. Thus, the findings contrast Seo and Creed's (2002) claim that change agents are organisational actors who are capable of questioning existing institutional logics, by indicating that internal actors are unable to realise the need for change without the influence from exogenous elements such as external change agents. In light of the theoretical dilemma inherent in the institutional change process depicted by Burns and Scapens (2000) framework, this paper therefore suggest that the external change agent role may be necessary to break the prevailing action patterns of organisational members. Considering the context of a formal, as opposed to evolutionary, change process where new rules are intentionally injected into the ongoing reproduction of organisational rules and routines, the role of external change agents seems particularly important in evoking the recognition of the need for new practices.

Furthermore, the findings in Global Inc. suggests that recognising the need for change and subsequently act on that realisation by initiating a formal change project should be considered separately. Following the abovementioned necessity of external change agents to prompt the recognition of the need for change, the case of Global Inc. further illustrates that in the context of a formal, top-down driven change initiative, top management and Senior Management have key roles in initiating change. Thus, the findings in Global Inc. provide further depth to Burns and Vaivio's (2001) claim by indicating that not only top management, but also Senior Managers have a key role in the initiation of a formal change process. Specifically, the Senior Management was observed to have a crucial role in acting on the recommendation from the management consultants by advocating the formal change initiative towards BU Management who possessed the ultimate executive power to introduce the change project. Thus, these key individuals correspond to Argyris and Kaplan's (1994) description of advocates (Senior Management) as the actors who initially become aware of the new practices and launch the change project, and sponsors (BU Management) as the individuals approving the project.

To summarise, in relation to previous literature (e.g. Burns and Scapens, 2000; Burns and Vaivio, 2001; Busco et al., 2007) the case of Global Inc. demonstrates that the key roles involved in recognising the need for change and subsequently initiate the change project are both external and internal change agents. The former infuses a sense of urgency for change, while the latter transform that urgency into the concrete action of introducing a formal change initiative – i.e. new management accounting practices.

5.1.2 Implementation Phase

In light of the framework outlined in section 2.3 and the above analysis of the initiating phase, the findings from Global Inc. confirm that the change agent role in the implementation phase is concerned with managing the transformation from existing to new management accounting practices. More specifically, in accordance with Seo and Creed (2002), the case of Global Inc. demonstrates that the role of change agents encompasses the mobilisation of organisational members to abandon the prevailing and embrace the new rules imposed by the formal change initiative. By investigating the role of change agents during a formal change process in the division within a decentralised multinational company, the findings contribute with two distinct observations that support Taylor and Scapens' (2016) claim that management accounting change should be investigated across organisational levels and units. First, the findings from Global Inc. call for a distinction between the change agent role at three hierarchical levels; Senior Management, Middle Management, and Lower Management. Second, the case of Global Inc. supports and provides further depth to Burns and Scapens (2000) claim regarding the importance of recognising the prevailing institutional context in which new rules are introduced. Specifically, the findings demonstrate that as a consequence of the decentralised structure, different institutional contexts prevailed in Global Inc.'s subunits, which were observed to impose different preconditions and, thus, requirements on the change agent role. Accordingly, as illustrated in the Empirics section, the four different ways of adopting the new management accounting practices highlight the importance of considering the institutional context in which the formal change initiative is introduced. Based on the findings from the case study in Global Inc., this paper therefore emphasises the importance of considering the role of change agents across hierarchical levels and organisational units in order to understand how change agents bring about institutional change. The following analyses will therefore elaborate on the change agent role across the hierarchical levels (Senior, Middle and Lower Management) while integrating the impact from the different prevailing institutional contexts in the subunits.

Change Agents at Senior Management Level

The findings in Global Inc. demonstrate that Senior Management has a key role in assuming responsibility for and managing the implementation of formal, top-down driven change initiatives. Specifically, in Global Inc., the Senior Managers' responsibility to plan and organise the deployment, as well as oversee the progression of the change project was perceived by numerous interviewees as crucial in the implementation process. Thus, as depicted in section 5.1.1, the case of Global Inc. provides a modified interpretation of Burns and Vaivio's (2001) claim that top management has a key role in the initiating and implementing change, by also emphasising the role of Senior Managers. Furthermore, the case of Global Inc. highlights the importance of Senior Managers in multinational decentralised companies in acknowledging and accounting for different institutional contexts within subunits in order to be able to mobilise organisational members to adapt to new rules and routines imposed by formal change initiatives, thus supporting and providing further depth to Taylor and Scapens (2016) findings. Evident in Global Inc. was that the complexity and challenges imposed by the different institutions and routines in the subunits had implications for the role of the Senior Managers. Thus, the findings provide further depth to Burns and Scapens (2000) framework by ascribing the change agent role at Senior Management Level the responsibility to manage the complexity of various institutional contexts across the unit. Specifically, two distinct Senior Management roles that proved to be essential in the transformation process were identified.

First, the findings strongly indicate the importance of a formally assigned Leader, the Senior Manager, who assume the responsibility to reinforce momentum of change by prioritising, supporting and guiding the implementation process. Thus, confirming the findings of Cobb et al., (1995) and Jansen (2011). The importance of the Senior Manager's role as a change agent was further proved through the concern raised by several interviewees regarding the declining pace of the implementation process as a consequence of the Senior Manager's, and BU Management's, declining attention to the change initiative during the year. Accordingly, a majority of the Middle and Lower Managers highlighted the Senior Manager's role in prioritising, supporting and communicating the relevance of the change initiative to ensure adoption of the new management accounting practices. Thus in accordance with Argyris and Kaplan's (1994) definition, the Senior Manager proves to comprise an important change agent role. In particular, the findings suggest that the Senior Manager's role is particularly important in the units facing the greatest institutional challenges. Consequently, the slow progression of the deployment in the Decoupled cases may partly be explained by insufficient attention from the Senior Manager and thereby the enactment of the change agent role.

Second, the findings emphasised the importance of another Senior Management role; the Intermediary. A common perception among all interviewees was that the role of the Intermediary was concerned with cooperatively driving the implementation process and recognising the different challenges imposed by each subunit's existing institutional context in order to mobilise the units to execute the change process within their respective originations. As such, the change agent allowed the subunits flexibility in the adaptation of the new rules in order to give them time to accept the relevance of the change initiative, which was found to be critical for successful adoption of the new practices (i.e. in the Embedded and Emerging cases). Hence, the role of the Intermediary align with Chenhall and Euske's (2007) description of a change agent as the individuals guiding the management accounting change process in a cooperative mode. In light of the framework outlined in section 2.3, the findings indicate that the role of the Intermediary as change agent is crucial to mobilise the subunits to execute the change initiative by making the organisational members recognise the need to abandon prevailing action patterns in favour of new management accounting practices.

Change Agents at Middle Management Level

The findings in Global Inc. showed that the responsibility to support, assist and execute the change initiative introduced by the Senior Management had been delegated to the Middle Managers, thus aligning with Burns and Vaivio's (2001) description of responsibilities assigned to lower hierarchical levels. Following their appointed responsibilities, the Middle Managers were perceived by several interviewees to have a crucial role as change agents in the implementation process. Especially regarding the process of persuading different levels of organisational members about the new management accounting practices. Hence, the observations indicated that the Middle Managers was designated to prove the benefits of and communicate accurate information about the new management accounting practices, thus supporting Argyris and Kaplan's (1994) depiction of change agents. Accordingly, in light of the framework outlined in section 2.3, the Middle Managers' role as change agents was concerned with mobilising the organisational members at lower levels, especially the Lower Managers, to recognise the relevance of the new practices and enlighten them about the benefits of altering their existing action patterns. Furthermore, in accordance with Busco et al.'s (2006) findings, several Middle Managers stressed the importance of enabling organisational members to participate in and reflect upon the new management accounting practices to achieve an active adoption of the new rules. Consequently, as organisational members adapt and enact the new rules, new routines will be reproduced and organisational-level transformation from existing to new management accounting practices may evolve as prescribed by the institutional process depicted in Burns and Scapens (2000) framework. Hence, in bringing about institutional change this paper highlights the importance of Middle Managers as change agents in formal, top-down initiated change processes.

Furthermore, the findings indicate that as head of the subunit, the Middle Manager has the ultimate responsibility in acknowledging and actively managing the potential challenges imposed by the institutional context in which the new management accounting practices should be integrated. Thus, the case of Global Inc. support and provide further depth to Taylor and Scapens (2016) findings by highlighting the importance of change agents. Moreover, in accordance with Cobb et al. (1995), the leadership role of the Middle Managers as change agents was observed to be crucial in overcoming resistance to the new practices and retaining momentum for deploying the new rules. Although the importance of leadership constituted a common feature across the four cases, they illustrate that the Middle Managers, due to the institutional context of their unit, were required to enact different leadership styles, thus confirming Jansen's (2011) findings regarding the necessity to adopt different leadership styles depending on the target group.

In the Embedded and Compliance cases, where the prevailing institutions and routines largely were consistent with the new rules, proved to provide favourable conditions to integrate the new management accounting practices into the existing structures. Thus, in accordance with Burns and Scapens (2000) claim, the management accounting change could be viewed as more achievable in these cases. Accordingly, in mobilising organisational members to alter prevailing action patterns, the Middle Managers' role as change agents were in these cases observed to be concerned with retaining momentum for change (Cobb et al., 1995) by communicating the relevance and benefits of OPM, as well as advocating and supporting the continuous deployment of the change initiative.

In contrast, the Decoupled cases illustrate that the Middle Managers insufficiently addressed that the existing institutions and routines, which were observed to largely contrast the new practices, constrained the adoption of the new practices to the extent that the enactment and reproduction of the new rules became decoupled from the prevailing structures. Hence, the findings indicate that the Middle Managers' insufficiently assumed their leadership role in terms of overcoming the resistance to the new management accounting practices (Cobb et al., 1995; Jansen, 2011). In the light of Burns and Scapens (2000) framework, these findings consequently indicate that the Middle Managers struggled to mobilise organisational members to break prevailing actions patterns and thereby also retain momentum for change.

Turning to the Emerging case, the observations demonstrate how the Middle Manager assumed the change agent role by 'walking the talk' and advocating the new practices to mobilise organisational members in adapting to the new rules and thereby overcoming the challenge of the existing institutions and routines in the unit. The findings further indicate that the Middle Manager played a key role as change agent in retaining momentum and energising the implementation in the unit.

Change Agents at Lower Management Level

In Global Inc., the Lower Managers were assigned the responsibility to coordinate and drive the deployment of the change initiative in the subunits, thus confirming Burns and Vaivo's (2001) portrayal of the role of Lower Managers in centrally driven change projects. More precisely, the findings confirm that the formally assigned role of Lower Managers involved supporting, assisting and executing the change initiative (Burns and Vaivio, 2001). However, throughout the interviews and observations it became clear that the actual behaviour of the

Lower Managers differed significantly between the units. Although designated the same responsibilities – to coordinate and drive the deployment by supporting and communicating information about the change initiative – the Lower Managers took on these assigned roles differently. The findings thus problematize Argyris and Kaplan's (1994) implicit assumption that actors designated a certain role will act upon it and thereby become change agents. Instead, the findings indicate that the extent to which the Lower Managers undertook their assigned roles largely depended on the role enacted by the Middle Managers. Specifically, the Middle Manager's attitude towards the change initiative seemed to influence the level of engagement among the Lower Managers of the same subunit. For instance, in the Decoupled subunits the Middle Managers paid insufficient attention to the change initiative, which in turn resulted in demotivation among Lower Managers. In contrast, the higher engagement among Middle Managers in the other subunits (i.e. the Embedded, Compliance and Emerging cases) appeared to positively influence the behaviour of Lower Managers in those subunits. Thus, in light of Burns and Scapens (2000) framework, this study contributes with further depth to previous literature on change agents by providing evidence for an interdependency between change agents at different hierarchical levels in organisational units with the same institutional context.

In the subunits that had come farther in the enactment of the new rules (i.e. Embedded, Compliance and Emerging cases), the findings show that the Lower Managers participated more actively in the implementation process and reflected upon the new rules, thus providing support for of Busco et al.'s (2006) emphasis on active adoption of the new practices by organisational members. Moreover, the findings demonstrate that these managers more actively assumed their role by creating buy-in within the subunits through coaching, support and communication of the benefits of the change initiative. Specifically, as illustrated in the Embedded case, the Lower Managers emphasised the alignment with existing institutions in the communication of the change initiative. Thus, this study provides further depth to the findings of Carlsson-Wall et al. (2015) by suggesting that internal change agents bring about change by framing their communication to account for existing institutions.

5.2 Conceptualisation of Change Agents

Investigating the role of change agents in bringing about institutional change as outlined by Burns and Scapens (2000) framework, the case of Global Inc. demonstrates the importance that the change agent role across organisational levels and units encompass formal and informal dimensions. First, as illustrated in the analysis in section 5.1.2, the formally assigned role of the change agent in managing the transformation inevitably differ across hierarchical levels. Second, the findings demonstrate that the institutional context in which the change agent operates implies diverse preconditions for the change agent and therefore require different degrees of informality to create buy-in among organisational members to enact and reproduce the new rules. Thus, the study indicates that the informal role of the change agents across organisational units is vital, especially when the prevailing institutions strongly contrast the new management accounting practices. Hence, the findings confirm that institutional context impacts the achievability of the change initiative (Burns and Scapens, 2000), which have implications on the requirements on the informal role of change agents. Drawing on previous research on change agents in the management accounting change literature in relation to Burns and Scapens (2000) framework and the findings in this study, a conceptualisation of change agents along two dimensions, two phases and three hierarchical levels is outlined in Table 4.

	Formal Role	**Informal Role**
Senior Level Management	***Assigned role*** • Initiate change • Oversee progression and deployment of change initiative • Delegate executing responsibility to Middle Level Management	***Initiating phase*** • Recognise and motivate need to change • Gain executive approval from top management ***Implementing phase*** *Leader* • Reinforce momentum by advocating, prioritising and communicating relevance of change initiative *Intermediary* • Acknowledge and account for the institutional context in subunits
Middle Level Management	***Assigned role*** • Support, assist and execute change initiative from Senior Management • Delegate deployment responsibility to Lower Level Managers	***Implementing phase*** • Acknowledge institutional context and adapt leadership accordingly • Advocate, prove benefits of and communicate accurate information about change initiative • Enable participation and reflection from Lower Level Managers
Lower Level Management	***Assigned role*** • Coordinate and drive deployment in subunits	***Implementing phase*** • Support and coach employees deploying change initiative • Frame communication to account for existing institutions

Table 4. Overview of conceptualisation of change agents across hierarchical levels.

5.3 Extending the Burns and Scapens (2000) Framework

Leveraging an embedded single case study within a decentralised multinational company and integrating the change agent literature with the Burns and Scapens (2000) framework enabled a development of the framework that incorporate the role of change agents in bringing about institutional change. Specifically, the findings from Global Inc. identify the role of change agents during two phases of a formal change process across organisational levels and units, thereby elucidating the value of integrating micro- and organisational level perspectives in bringing about institutional change. In relation to the theoretical dilemma inherent in the institutional change process depicted by Burns and Scapens (2000) framework, this study argues that in order for episodes of intentional, formal changes to arise an exogenous element of initiation, e.g. through external change agents, is necessary to instil a sense of urgency among the organisational members, specifically change agents, to recognise the need for change and act upon it. Consequently, this paper distinguishes between this initiating phase (represented by the star in Figure 5) and the following implementation of a formal change initiative (represented by the dotted arrows between the two separate boxes). In this sense, a recognition of the change agents' role in the initiation and implementation phases is crucial to gain a comprehensive understanding of how the deployment of new rules evolves. Specifically, this paper emphasises the importance of exploring the role of change agents across organisational levels, as depicted by the circuit of Change Agents between the two boxes in Figure 5. The case of Global Inc. further provides evidence for the importance that change agents acknowledge and account for the institutional context in which they operate, especially in the context of a multinational, decentralised company where numerous institutions might prevail, in order to mobilise organisational members to enact and reproduce new management accounting practices. Thus, this study argues that the role of change agents must be analysed along three dimensions; phase of change process (initiating and implementing), hierarchical level, and organisational units.

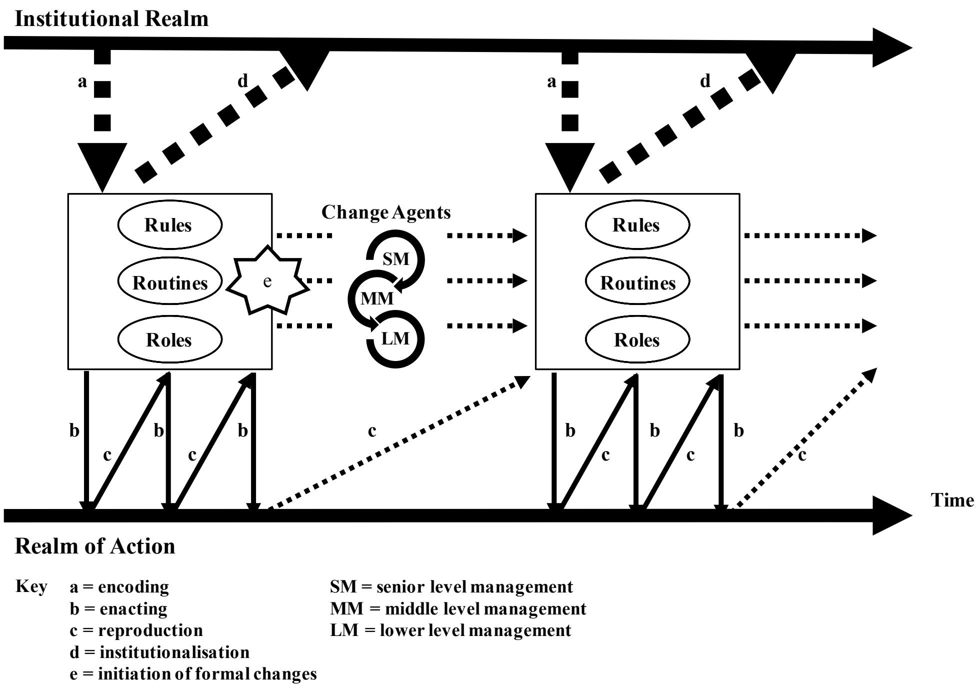

Figure 5. Extended institutional change process, adapted Burns and Scapens (2000) framework.

6 Conclusion

6.1 Contributions

In the introduction to this paper two research questions were set out which emerged from empirical insights in the case study:

1. *What role do change agents have in the process of institutionalising formal management accounting changes?*
2. *Who are the change agents and what does their role entail?*

In relation to the first question, this study argues that the role of change agents must be analysed along three dimensions; phase of change process (initiating and implementing), hierarchical levels, and organisational units. First, the findings confirm the theoretical dilemma inherent in the institutional change process depicted by Burns and Scapens (2000) and emphasise a need to distinguish between two distinct phases of formal change processes; i) the recognition and initiation of change, and ii) the implementation.

Regarding the former phase, the case study demonstrates that key roles involved in recognising the need for change and subsequently initiate the change project are both external and internal change agents. Initially, for episodes of intentional, formal changes to arise it is necessary to instil a sense of urgency among the organisational members through exogenous elements, such as external change agents. Subsequently, the findings suggest that internal change agents at Senior Management Level transform that urgency into the concrete action of introducing a formal change initiative (i.e. new management accounting practices).

In relation to the latter phase, this study emphasises the importance of exploring the role of change agents across organisational levels and units to gain a comprehensive understanding of the implementation phase, i.e. of the enactment and reproduction of new management accounting practices (Burns and Scapens, 2000). By leveraging the empirical findings and combining the change agent literature with Burns and Scapens (2000) framework, this study elucidates the value of integrating micro- and organisational level perspectives in studying institutional change. Specifically, the study highlights the importance that change agents across organisational levels and units acknowledge and account for the institutional context in which they operate in order to mobilise organisational members to enact and reproduce new management accounting practices. Thus, this study extends the Burns and

Scapens (2000) framework by incorporating the role of change agent across organisational levels in bringing about institutional change.

Turning to the second research question, this study demonstrates the importance that the change agent role across organisational levels and units encompass formal and informal dimensions. Furthermore, the findings suggest that the institutional context in which the change initiative is introduced impact the degree of informality that is required by the change agent in order to mobilise organisational members to embrace new management accounting practices. Thus, this study provides a conceptualisation of the role of change agents in bringing about management accounting change, and thereby contributes to the previously heterogeneous contributions on the subject within the management accounting change literature.

To conclude, this study emphasises the importance of investigating the role of change agents across organisational levels and units in order to gain a comprehensive understanding of how management accounting change is brought about and evolve across time.

6.2 Limitations and Suggestion for Further Research

This study has attempted to grasp the role of change agents in the context of three dimensions – processual phase, organisational levels and units – to contribute with a more comprehensive understanding of the complex and multi-dimensional processes of management accounting change. Building on insights from previous extensions of the Burns and Scapens (2000) framework this paper further address a limitation of the framework by extending it with the role of change agents. Nevertheless, in using the framework to interpret the management accounting change process, a number of limitations were identified throughout the research.

First, while an embedded single-case study provides analytical depth, and to some extent also analytical breadth, the scope and sample size is acknowledged as a limitation in terms of the transferability of the study. Accordingly, as the conclusions are made solely on the findings from one division in a Swedish multinational company, the research does not fulfil the requirements for comparability across organisations and industries. Thus, attempts to transfer the conclusions of this study should be made with caution. Nevertheless, the authors encourage additional investigations on the role of change agents according to the conceptualisation provided in this paper in order to provide further empirical perspectives on who they are and what their role entails. Moreover, further research drawing on the extension of the Burns and Scapens (2000) framework provided in this paper would provide additional insights in understanding the process of management accounting change.

Second, although the role of change agents was concluded to be crucial in the early phases of the management accounting change process, the length of the case study and its impact in theorising about the role of the change agents in bringing about institutional change has to be recognised. Future research may aim to address this limitation by conducting a longitudinal case study. Accordingly, investigating the role of change agents over the course of the entire implementation process and the subsequent institutionalisation of new management accounting practices may provide more exhaustive conclusions regarding the change agent role in bringing about institutional change.

Third, gathering data predominantly through interviews poses some risks regarding subjectivity. Especially, since the researchers were introduced to the interviewees through a higher level manager, it is essential recognise that the interviewees may have deliberately responded according to a perceived correct answer or attitude. However, efforts were made to minimise the risk of subjectivity by ensuring anonymity prior to the conducting the interview. Furthermore, triangulation of data obtained from each interview against data provided by other interviewees, observations and documented information was conducted in order to ensure objectivity of the study.

To conclude, this paper emphasises the importance of exploring the role of change agents across organisational levels and units to improve the understanding of management accounting change processes. Consequently, the conceptualisation of change agents and the extension of Burns and Scapens (2000) framework contributes to a more comprehensive perspective of the multi-dimensional complexity of management accounting change processes. The contributions thereby provide a foundation for researchers to further develop the literature on agency within the management accounting change literature.

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Appendices

Appendices I: List of Interviewees and Observations

Number	Interviewee	Medium	Length	Date
1	Subunit Manager 1	Face-to-face	60 min	2016-09-26
2	Subunit Manager 2	Face-to-face	90 min	2016-09-13
3	Subunit Manager 3	Face-to-face	90 min	2016-09-12
4	Subunit Manager 4	Face-to-face	90 min	2016-09-22
5	Subunit Manager 5	Telephone	90 min	2016-09-19
6	Subunit Lower Level Manager 1	Face-to-face	60 min	2016-11-01
7	Subunit Lower Level Manager 2	Face-to-face	90 min	2016-10-19
8	Subunit Lower Level Manager 3	Face-to-face	90 min	2016-11-01
9	Subunit Lower Level Manager 4	Face-to-face	60 min	2016-10-20
10	Subunit Lower Level Manager 5	Telephone	60 min	2016-10-18
11	Subunit Lower Level Manager 6[1]	Face-to-face	90 min	2016-10-10
12	Subunit Lower Level Manager 7	Face-to-face	90 min	2016-10-10
13	Subunit Lower Level Manager 8	Telephone	90 min	2016-10-11
14	Subunit Lower Level Manager 9	Face-to-face	90 min	2016-10-17
15	Subunit Lower Level Manager 10	Telephone	90 min	2016-10-11
16 17	Divisional Manager	Face-to-face	60 min 60 min	2016-06-28[2] 2016-10-26
18 19	Divisional Change Driver	Face-to-face	45 min 120 min	2016-06-28[2] 2016-08-31[2]
20	Group Functions[1]	Face-to-face	60 min	2016-09-15
21	External Consultant	Face-to-face	45 min	2016-10-26

[1] Interviews with two individuals.
[2] Pre-interviews.

Number	Observation	Participants	Length	Date
1	Subunit Navigator Meeting	Subunit Lower Level Managers	90 min	2016-09-02
2	Subunit Navigator Meeting	Subunit Lower Level Managers	90 min	2016-09-15
3	Subunit Navigator Meeting	Subunit Lower Level Managers	90 min	2016-09-29
4	Divisional Performance Dialogue	Subunit Managers	120 min	2016-10-13

Appendices II: Example Questions From Interview Guides

Background

1. Can you briefly tell us about your role at Global Inc. and what specific tasks you have?

Introduction to and implementation of OPM

1. How were you introduced to OPM?
2. Why did Global Inc. decide to implement OPM?
3. How was the implementation of OPM motivated?
4. How was performance management designed previously? What previous routines existed and how does OPM alter these routines?

Personal role and motivation

1. What is your role in the implementation and deployment of OPM?
2. What motivates you to work with OPM?

Critical factors and key individuals

1. Who would you say are key individuals in the implementation and deployment of OPM?
2. How do you perceive the working culture at Global Inc./within your subunit?
3. What factors do you perceive as crucial for OPM to be accepted among target groups?
4. What do you perceive as the managers' key responsibilities in the implementation and deployment of OPM?

Purpose of OPM

1. What is the purpose and objective with OPM?
2. Do you perceive OPM as important to move Global Inc. forward?

Evaluation and future aspects

1. Have you experienced any barriers in the implementation and deployment of OPM?
2. What do you think are the greatest challenges in the continuous deployment of OPM?