FROM INDIVIDUAL CONTRADICTIONS TO COLLECTIVE ACTIONS

AN INSTITUTIONAL PERSPECTIVE ON CHANGE TO THE FINANCE FUNCTION

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From individual contradictions to collective actions - An institutional perspective on change to the finance function

Abstract:

This paper draws on institutional theory to explore how management accountants (MAs) initiate and mobilize change to the finance function in a decentralized setting. We conduct a case study on a multinational industrial company to get insights on the barriers and motivations MAs in the company face when they are challenged to alter their roles and ways of doing things. We argue that a variety of pressures can lead to the development of contradictions for the MAs, that lowers barriers and raises motivation thus turning the passive embedded agent into an active change agent. Our study contributes to previous research through (1) showing how change is initiated and mobilized with limited authoritative power, (2) presenting informal interventions as powerful tools for raising contradictions in a decentralized setting, (3) revealing a more diversified and unexplored role of shared service organizations and (4) expanding on the notion of MAs as business partners.

Keywords:

Embedded agents, management accountants, decentralization, institutional change

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Valtteri Lassila and Anna Moberg

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1. Introduction

> *In the long run, when we have all this data, [...] it also needs to be used in a different way than today* – Group Digital Finance Manager at GlobeInd

The corporate finance function has undoubtedly gone through some drastic changes during the last decades. Enabled by digitalization, management accountants (MAs) have transitioned from reactive gatherers and reporters of financial data to proactive business partners providing support for operational and strategic decision-making (Burns & Vaivio, 2001; Friedman & Lyne, 2001; Järvenpää, 2007). With an emerging discourse of "digital finance" now on every practitioner's mind, the opportunities of utilizing data for business purposes are higher than ever before. However, there are also challenges where the finance function must break out of old patterns and find new ways of working in order to exploit these emerging opportunities.

The ability for MAs to adopt new roles in an institutional context has often been attributed to structural changes (DiMaggio & Powell, 1983; Thornton, Ocasio, & Lounsbury, 2012). This includes the implementation of systems and introduction of shared service organizations (SSOs), which have overtaken the transactional and manual tasks of reporting, thus freeing up time for MAs to focus on other things like supporting the business (Burns & Vaivio, 2001; Goretzki & Messner, 2019; Herbert & Seal, 2012; Seal & Herbert, 2013). However, although we believe that actors are embedded in the organizational environment and that structural changes enable new ways of working, we join critics of the structural approach (Järvenpää, 2007; Thornton et al., 2012) by recognizing that a huge gap is left when the people in the organization are not considered. To help us get insights into how MAs are triggered to become active and redefine their identities through identity work, we have to understand the agents' individual journeys.

Previous studies suggest that contradictions that initiate individual actions are ignited when a certain prevailing institutional logic is incompatible with the emerging schemas of the actors within an organization (Seo & Creed, 2002). When these individual actions over time spread to a collective way of doing things, they can become institutionalized among the agents in an organization (Horton & Wanderley, 2018; Seo & Creed, 2002;

Thornton et al., 2012). Yet, few studies explain how the contradictions spread and mobilize agents. Some studies suggest that purposeful actions by strong change agents that promote these contradictions through various microprocesses can effectively mobilize change throughout the organization (Burns & Baldvinsdottir, 2005; Goretzki, Strauss, & Weber, 2013).

A noticeable trend among the literature exploring micro-level changes and the MA role has depicted either strong, executive level agents wielding significant power due to their position (Baños Sánches-Matamoros, Araújo Pinzón, & Álvarez-Dardet Espejo, 2014; Goretzki et al., 2013) or individuals with significant support from the top decision makers in the organization (Burns & Baldvinsdottir, 2005). However, as MAs have shifted from “beancounters” to “business partners”, trends of decentralization have emerged, placing MAs closer to operations – and further away from centralized decision makers (Burns & Baldvinsdottir, 2005; Järvenpää, 2007; Windeck, Weber, & Strauss, 2015). There is a research need on how agents carry out change in this type of setting (Horton & Wanderley, 2018), and what role MAs in the lower levels of the organizational hierarchy play for initiating and mobilizing change (Garud, Hardy, & Maguire, 2007; Hiebl, 2018; Hwang & Colyvas, 2011).

Complete absence of concentrated power is unlikely to exist but exploring embedded agency in as a decentralized setting as possible, where power and authority is moved outward and downward in the organization (Hempel, Zhang, & Han, 2012), will allow us to satisfy this scope to the greatest extent possible. With the aim to complement previous studies on institutional change to the management accountant’s role (Burns & Baldvinsdottir, 2005; Goretzki et al., 2013; Hiebl, 2018; Horton & Wanderley, 2018), we pose the research question: *How do embedded agents initiate and mobilize change to the finance function in a decentralized organizational setting?*

To answer the research question, we have conducted a single case study in a multinational industrial company, GlobeInd (acronym), often regarded as the best practice case when it comes to the decentralized way of management. The company’s finance function was in the process of implementing a new groupwide initiative around the discourse of digital finance that, if successful, would drastically alter the perception and the way things were done by the MAs on a global level. The main source of the empirical material has been

19 semi-structured interviews, all carried out in the spring of 2020. To make sense of our findings we have built a framework based on the structural pressures presented by Powell and DiMaggio (1983) and the institutional contradictions by Seo and Creed (2002) but moved them to an agency realm through Diffusion theory (Chreim, Williams, & Hinings, 2007; DiMaggio & Powell, 1983; Rogers, 2003; Seo & Creed, 2002).

Guided by the framework, the analysis suggests that contradictions are developed over time with increased motivation for change and decreased individual and institutional barriers. We argue that change is the outcome of identity work of agents embedded in the organization, and that this identity work can be influenced and triggered by actors. By applying arguments on actor focused change in a decentralized setting, our research adds to previous findings in several ways: It (1) shows how change is initiated and mobilized with limited authoritative power, (2) presents informal interventions as powerful tools for raising contradictions in a decentralized setting, (3) reveals a more diversified and unexplored role of shared service organizations and (4) expands on the notion of MAs as business partners. Through being connected to an organizational structure that many MAs face today, the findings have both implications for future research on changes to the finance function, and practical implications as it highlights how applying certain pressures have effects on role development.

The remainder of the paper is organized as follows. In section 2, we discuss previous literature around institutional change and the finance function. There we also present the theoretical framework for analyzing the empirical material. In section 3, we discuss how the methodological choices have guided methods used throughout the paper. Section 4 presents a background of the organization GlobeInd, and an empirical analysis on the case of the "zero-reporting initiative". Lastly, in section 5, we elaborate on and discuss the outcome of our analysis in relation to previous research. We also make final conclusions to the study and discuss potential limitations.

2. Theory

In this section, previous literature in relation to institutional change in the finance function is presented and discussed. Section *2.1* elaborates on previous literature on institutional change and the role of the management accountant, and section *2.2* presents a theoretical framework where institutional change is brought into an active realm through combining it with diffusion theory.

2.1. Institutional change and the role of the management accountant

2.1.1. Management accountants and the institutional construct

When it is established that change is needed within an organization and that this organizational change requires its actors to change as well, the question becomes: how does this change occur? More importantly: will there be any roadblocks or inertia against the needed change and how can it be ensured that the change will be successful and persist?

Every organization operates under a certain institutional construction or logic (Thornton et al., 2012). Institutionalization in an organizational context carries the notion of normative patterns of action, taken-for granted assumptions, and settled habits and thoughts (Burns & Scapens, 2000; DiMaggio & Powell, 1983; Powell & DiMaggio, 1991; Thornton et al., 2012). In essence, this implies a socially constructed realm that provides meaning and rationalization for the individuals in an organization to work in a certain established way that has historically evolved and become legitimized within the organization (Thornton et al., 2012). The individuals in an organization adopt a certain logic through the institutionalization that makes their daily activities eligible as a means to contribute or create value congruent with the goals of the organization or themselves (Friedland & Alford, 1991). Examples of such an institutionalized logic is the professional logic, where the notion is that experts in a certain field can through their education, ethics, and duty provide services congruent with the user´s needs (e.g. Gebreiter & Hidayah, 2019). The influence on professional identity of organizational members can therefore be argued to be a powerful dimension of management control (Alvesson & Willmott, 2002).

In relation to the finance function, the historical institutional construct for MAs has carried the notion of precision, form, method and conservativism with tasks mainly related to transactional execution, financial reporting and manual input of data (Friedman & Lyne, 2001; Granlund & Lukka, 1998). Contrast this with the more recent shift in the perception of MAs where the business partner role indicates an identity that is much more proactive and closer to the operations and strategic decision-making of the business (Granlund & Lukka, 1998; Järvenpää, 2007). Through the business partner shift, we see that the finance function over time can adopt new logics and that the agents working in the organization can adopt new ideas, roles and ways of doing things (Busco, Giovannoni, & Riccaboni, 2017; Gebreiter & Hidayah, 2019; Goretzki et al., 2013; Järvenpää, 2007), but what initiates this institutional change?

2.1.2. The structural approach to the adoption of new roles

The earlier and arguably still prevailing but debated perception of institutionalization and institutional change has regarded it as a structural phenomenon that evolves as a result of shifts in the external environment (DiMaggio & Powell, 1983; Järvenpää, 2009; Powell & DiMaggio, 1991). These shifts in the macro-level imply changes in the organizational structure or the sector as a whole rather than shifts from the agents within an organization (Thornton et al., 2012). A vast body of research seems to corroborate this notion that macro-level shifts enable or pressure MAs to adopt new roles and ways of doing things without viewing the agents themselves as particularly strong change facilitators.

In previous research around changes to the MA role, Seal and Herbert (2013) have shown that creating SSOs that undertook a lot of the local finance function's transactional and manual reporting tasks allowed for the local MAs to shift their focus towards supporting the operations. In this case, the direction of the SSOs were viewed as increasingly moving towards a factory-like manufacturers of manual tasks. Furthermore, the implementation of a new ERP system in the case study facilitated sufficient standardization that allowed the SSOs to overtake these tasks which ultimately led to the role shifting towards business orientation (Seal & Herbert, 2013). In another study by the same authors, both SSO and new ERP implementation projects in a case company were reactive actions due to other organizations in the sector engaging in similar projects, and regulator's pressures (Herbert & Seal, 2012). This again led to a shift in the role of the MA due to the external environment facilitating this change. Digital transformation through e.g. new accounting systems is suggested to be a way to radically alter the prevailing institutional construction in an organization (Hinings, Gegenhuber, & Greenwood, 2018). Some studies have even proclaimed that this is a possible prerequisite for the business partner shift (Järvenpää, 2007). Studies on other structural interventions have included actions like putting the MAs next to operational managers, utilizing new tools, benchmarking against competitors and engaging in other endogenous triggers that can initiate institutional change (Burns & Vaivio, 2001; Burns & Baldvinsdottir, 2005; Goretzki & Messner, 2019; Hiebl, 2018; Järvenpää, 2007).

However, even though an external force can act as a powerful facilitator for change in the MA role (Burns & Scapens, 2000), there are recorded cases where this was not necessarily a prerequisite for change to occur (e.g. Burns & Baldvinsdottir, 2005; Goretzki et al., 2013). Thus, the claim that institutional change is purely a structural phenomenon can be questioned. To address the gap that the structural approach leaves, we turn to the critiques against the structural approach through reviewing the paradigm of embedded agents and the micro-level in the next section.

2.1.3. Embedded agency and the rise of contradictions

The structural approach to institutionalization has received criticism in subsequent papers examining institutional theory and institutional logics. Thornton, Ocasio et al. (2012) argue that agency, or the social actors in an organization, actually play a pivotal role in institutional change. They claim that the actors embedded in the current institutional construction of an organization are not only restricted by the institutional construct, as the structural approach implies, but can utilize their embeddedness and vast knowledge of this logic to intentionally mobilize change. Embeddedness has even been showcased to be a crucial factor in agents' subsequent praxis towards changing the way things are done due to their deep knowledge about the construct they operate in (Chreim et al., 2007; Reay, Golden-Biddle, & Germann, 2006). However, there is a paradoxical element to the embeddedness of these agents discussed by researchers within the management accounting field: How can agents embedded in an institutional construct act as change agents when, in theory, everything they do is conditioned by the very institutional construct they try to change (Hiebl, 2018; Horton & Wanderley, 2018; Järvenpää, 2009; e.g. Seo & Creed, 2002; Thornton et al., 2012)?

A potential answer to the paradox can be derived from Seo and Creed's (2002) presentation of contradictions as a prerequisite for institutional change. The premise for institutional contradictions is that when a certain prevailing institutional logic is incompatible with the emerging schemas of the actors within an organization, then these actors start to doubt and question the current logic. According to Seo and Creed (2002), the doubts and questions ignited by these contradictions move the actors, who were previously passively embedded in the prevailing institutional logic, to an active realm where they start to search for new ways of action that turns into praxis in their daily work. While most activities lead actors to form and revise their identity in some way, certain events and experiences seem to increase the awareness of self-identity and trigger more active identity work (Alvesson & Willmott, 2002).

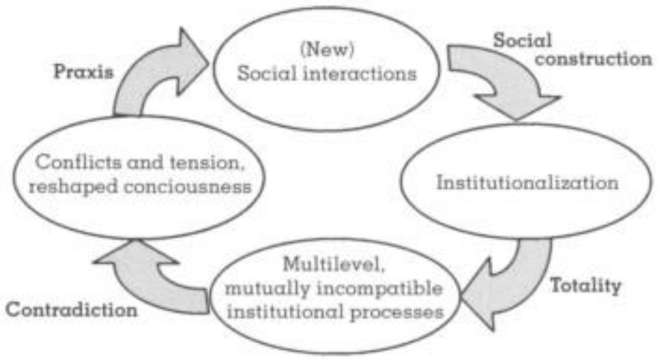

Figure 1. The original framework from Seo and Creed (2002)

New praxis can then spread from actions of individual change agents to a more collective way of doing things (Seo & Creed, 2002). When new social interactions become collective actions, a new social construction can emerge that is more in line with the actors' ideals and perceptions. Over time this becomes institutionalized (Seo & Creed, 2002). In a study on institutional change of the MA role, Burns and Balvidsdottir (2005) found that accountants in their case company encountered contradictions due to the prevailing logic and way of doing things not generating sufficiently successful financial performance. The management accountants themselves started to act upon these contradictions, changing their established ways to get the company back on track.

According to Horton and Wanderley (2018), the MAs carry multiple layers of identities both in how they see themselves as individuals and how they collectively perceive the role. They suggest that when there are a multitude of contradictions within the identities, it will provide them with the “broad resources, networks and legitimacy necessary to mobilize change efforts” (p. 47). The friction between how MAs are perceived and how they would like to be perceived can act as a strong contradiction that might mobilize efforts from embedded agents to work in new ways more in line with their desired perception (Abrahamsson, Englund, & Gerdin, 2011). The contradictions can even become so strong that MAs might, in an effort to distance themselves from the current role and establish the desired role, abandon some of the paramount responsibilities still associated with the role if it does not fit their desired identity (Morales & Lambert, 2013). It seems like when embedded agents become aware of the “gap” between their desired role-identity and their current role-identity, then this triggers an institutional contradiction that can turn embedded passive agents into active change agents (Reger, Gustafson, Demarie, & Mullane, 1994).

Contradictions can arise through embedded agents being exposed to new ways of thinking through means like education, which opens them up to new professional logics not previously available in the prevailing institutional construction (Baños Sánches-Matamoros et al., 2014; Burns & Baldvinsdottir, 2005). Inefficiencies of currently utilized accounting systems may also raise contradictions where embedded agents see the potential for their current work going into new routes with the help of e.g. standardization or automation (Hiebl, 2018). In these cases, strong embedded agents can activate agency through critiques and suggestions of alternatives.

The paradox we encounter when we turn to embedded agents seem to receive an answer from the emerging contradictions. Seo and Creed (2002) take the view that these contradictions arise as by-products of the processes of institutionalization. This passive notion of by-product like arising implies that while the contradictions can turn passive embedded agents into active change facilitators, the contradictions themselves are not something that can actively or consciously be introduced in order to instigate institutional change. Yet, in a case study where Burns and Baldvinsdottir (2005) studied institutionalized change, one especially engaged change agent in the finance function was able to mobilize support for a necessary restructuring of MAs through making contradictions visible bottom-up.

2.1.4. Change agents and the creation of contradictions

To mobilize actors into role change, Burns and Baldvinsdottir (2005) claim that there has to be acceptance among the agents in an organization that change is needed. However, research shows that actors play a role also in showing the need for change as they both intentionally and unintentionally carry out activities that influence their surroundings. Previous literature displays that through becoming the main characters of organizational storytelling, successful actors of a new way of working can influence others by showcasing the benefits of change (Järvenpää, 2007). Through providing and highlighting certain information (e.g. accounting information), embedded actors can be influenced to recognize the existence of a problem (Burns & Baldvinsdottir, 2005; Farjaudon & Morales, 2013). Even though interpretation of the professional identity lies with the agent itself, this interpretation can be guided by actors providing discourses that ties a role to certain values or ideas (Alvesson & Willmott, 2002). As such, providing a changed discourse (e.g. "business partnering" or "digital finance") implies certain expectations to how the MA role should be interpreted. We thus suggest that the concept of "mobilization" carried out by actors to change the collective identity of the MA role (Burns & Baldvinsdottir, 2005; Horton & Wanderley, 2018) contain identity regulation i.e. "the more or less intentional effects of social practices upon processes of identity construction and reconstruction" (Alvesson & Willmott, 2002). Here we argue that contradictions are built and strengthened through activating identity work.

Contradictions can arguably be actively made visible by strong organizational players such as C-level executives or other influential "institutional entrepreneurs" i.e. heroic actors or organizational elites that hold significant power and impetus for change management (Baños Sánches-Matamoros et al., 2014; Burns & Baldvinsdottir, 2005; Goretzki et al., 2013; Hiebl, 2018; Järvenpää, 2007). Through acting as role-models, top level executives are both visible in the organization and carry an abundance of symbolic capital to inspire new behaviors (Järvenpää, 2007).

An example of a role-model for change is given by Goretzki, Strauss et al. (2013) where their study found that a strong and operationally oriented CFO was able to alter the role identity of the case company's MAs through a multitude of microprocesses. Through institutional work, i.e. actions disrupting or creating contradiction within the current institutional setting, the CFO enabled the MAs to adopt a more business-oriented identity that became legitimate throughout the company's different functions. This micro-level perspective of institutional change enables the view of how seemingly insignificant and individual actions and discourses, carried out by change agents, can have impact on the finance function as a whole.

It is important to understand that microprocesses are rarely revolutionary on their own and are often still somewhat in line with the current institutional construct. Reay et al. (2006) called these microprocesses "small wins" that are less threatening and thus easier to accept compared to large and radical efforts for change. These "small wins" can however in the long run lead to meaningful change when they accumulate over time, and can act as a more legitimizing way for change agents to little by little gain wider acceptance for their agenda (Reay et al., 2006). In similar fashion, agents opposed to change can utilize the same principles of small wins to accumulate inertia against change (Granlund, 2001). Järvenpää (2007) called these contradictions cultural interventions, that he believed were crucial for changing the realm of accounting, which he discovered was a deeply embedded cultural phenomenon. In line with Reay et al. (2006), Järvenpää suggests that organizational culture is altered through individual role models and storytelling that over time become ingrained in the MAs cognitive framework, which then in turn evolve into collective patterns of action within the accounting community.

2.1.5. Role-identity development and the absence of powerful elites

As noted, purposeful actions by strong change agents who promote their new perception of the MA role through various microprocesses has been shown to effectively alter the perception of MAs throughout the organization (Goretzki et al., 2013).

Horton and Wanderley (2018) propose that job discretion and business involvement are moderators in performing active identity change initiatives through that they influence the ability to mobilize resources needed for change. They suggest that without job discretion the individual is instead likely to perform passive identity work, forming the way of thinking about their job in line with the institutionalized ways of working. Horton and Wanderley mean that the "business partner", through its involvement in operations, has the influence necessary to carry out identity work for the collective identity of MAs. This suggests that there are benefits of being in a powerful position, where the ability to direct the organization and mobilize resources is a benefit for carrying collective out change.

Some case studies indicate that without powerful organizational elites that provide contradictions for change and effectively steer the whole change process, the change attempts result in unsuccessful role-identity change or strong opposition and inertia against the change efforts (Granlund, 2001; Morales & Lambert, 2013). Hiebl (2018) contends that authoritative power is an important resource for implementing institutional change. Does this mean that if there is an absence of authoritatively powerful change managers with an agenda, then role-change inside an organization is doomed to fail or will not occur at all? Horton and Wanderley (2018) contend that studies on agency related organizational change within the finance function have very much focused on a setting where the institution is either clearly underperforming or has strong managers who can mobilize support through their status in the organization. Even though previous studies present potential solutions to the embedded agent paradox, we feel like the solutions only become applicable under those very specific paradigms.

As a result of "business partnering"-trends, MAs have become more decentralized, having both geographical and organizational proximity to operations rather than the finance function and top-level executives (Burns & Baldvinsdottir, 2005; Granlund & Lukka, 1998; Järvenpää, 2007; Windeck et al., 2015). While the rapid pace of digitalization is likely to enable further development of the MA role, the studies on actor driven role change do not provide answers on how this is achieved without strong authoritative power and centralized decision making. Hiebl (2018) notes that there is very limited research on embedded agency and institutional change from the lower levels of hierarchy.

Thus, this study aims to complement previous studies on institutional change to the management accountant's role (Burns & Baldvinsdottir, 2005; Goretzki et al., 2013; Horton & Wanderley, 2018) by answering to the research need on how embedded MAs are mobilized without strong, heroic and authoritative executives as the main change agent (Garud et al., 2007; Hwang & Colyvas, 2011) i.e. in a decentralized setting. As a decentralized organization moves power and authority outward and downward in the organization (Hempel et al., 2012), it allows for studying how contradictions can mobilize MAs bottom-up and how new ways of doing things become legitimized without strong authority. In the following section we build a framework that will allow for an appropriate lens for analysis and sensemaking in such a setting.

2.2. Moving institutional change to active identity work

The institutional contradictions, as outlined by Seo and Creed (2002), are suggested to be the key in solving the paradox of embedded agents being able to act as change facilitators even though they are embedded and constrained by the current institutional logic (Horton & Wanderley, 2018; Seo & Creed, 2002; Thornton et al., 2012). This seems to be supported throughout our review of the research above. One of the critiques against the structural view of institutionalization is that it sees organizational actors as passive and being conditioned by the prevailing logic, thus only being receptive to change when external macro-level alterations force them to adapt. The embedded agency gives institutional change an actively moldable realm where the human factor through microprocesses is given significance (Granlund, 2001; Thornton et al., 2012).

In order to understand how actors in the finance function, without strong authoritative power, could introduce contradictions to an institutionalized setting to mobilize embedded agents from passively routinized actors into active change agents, we need an appropriate lens that is able to assist in the sensemaking process. To do so, we use Powell and DiMaggio's (1983) ideas on isomorphic pressures and combine them with Rogers' (2003) diffusion theory to create a framework with an active take on institutionalized change of the MA role.

2.2.1. Institutional pressures and diffusion

The endogenous triggers as a means to reshape the roles of agents in an organization, i.e. the structural view on institutionalization, is outlined in Powell and DiMaggio's (1983) paper on coercive, normative and mimetic pressures. According to DiMaggio and Powell, coercive pressure derives from authoritarian power e.g. legislators or politicians that enforce rules and regulations. Standard operating procedures enforced by an organization on its activities also exemplifies this coercive pressure. The paper outlines that mimetic pressures are associated with organizations modelling after other organizations to combat ambiguity. Finally, the normative pressure is seen by the authors as stemming from professionalization where the collective of a certain occupation streamline the ways of working in their specific field. These three pressures were identified as structural drivers of institutional change towards homogeneity across sectors and set the scene for the macro-level view of institutional change.

Diffusion theory states that by making an individual aware of a problem and presenting an alternative solution, the individual can become receptive to change (Rogers, 2003). It seeks to explain the process of the communication, spread and adoption of an innovation through a social system. Some research within this field even go as far as to suggest that if not actively exposed to a problem warranting change through someone's conscious efforts, individuals will not become aware of the problem and start seeking a solution (Rogers, 2003). When applying diffusion theory in an organizational context, we believe that it can complement our institutional theory-based framework. We do not contend to the notion that institutional contradictions can only be initiated through conscious efforts, but we suggest that it could be one way of actively creating them without the need of authoritative power.

Diffusion theory also states that when an individual has been made aware of a problem or a need, they usually seek after a solution through evaluation of their peers and consequently model after their peers, should the solution be deemed favorable. This is very much in line with Powell and DiMaggio's (1983) proposition about mimetic pressures i.e. that ambiguity makes organizations model after their peers. The main difference between the mimetic pressure presented by Powell and DiMaggio and the one supported by diffusion theory is whether it is a structural phenomenon, or a phenomenon instigated through actors within a social system. By applying the perspective of diffusion theory on Powell and DiMaggio's concept of mimetic pressure we can transform the notion of mimetic pressure being a passive structural phenomenon to an active component that can consciously be utilized to facilitate the transformation of institutionalized practice.

In a similar manner diffusion theory helps us to view Powell and DiMaggio's normative and coercive pressures in a new light as well. In his book "Diffusion of Innovations"

(2003), Everett Rogers classifies individuals of a social system according to their relative receptiveness to adopt new ideas or ways of doing things during the process of diffusion (Rogers, 2003). As an example, the individuals categorized as innovators within a social system will be the earliest adopters during the process whereas the individuals that can be classified as laggards will be the last individuals to adopt a new idea within a specified social system.

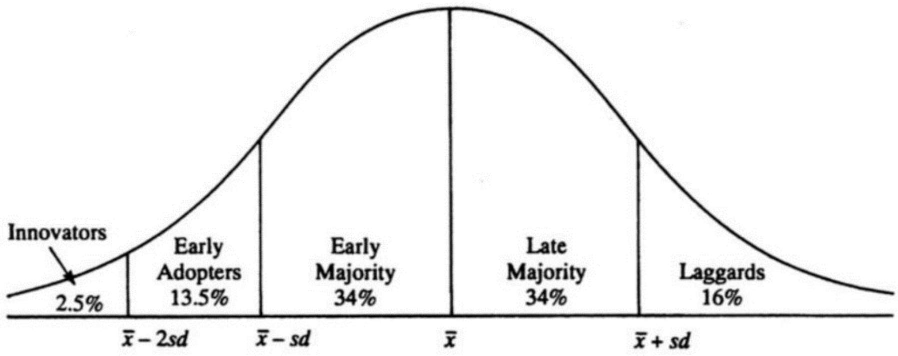

Figure 2 Rogers' (2003) Adopter Categorization on the Basis of Innovativeness

According to diffusion theory, individuals in a certain adopter category have different thresholds for when they will become receptive to adoption. This is usually determined by the size of the social system that has already adopted the new idea where the threshold will be larger and larger as we move to the left along the adopter categorization curve in figure 2 (Rogers, 2003).

Early adopters' opinions are usually valued and others in a social system often see them as role models (Järvenpää, 2007; Rogers, 2003). If a group of early adopters adopt a new idea and start promoting it, the early majority will often follow along and model after the early adopters (Rogers, 2003). Contrasting this to Seo and Creed's (2002) institutional contradictions and Powell and DiMaggio's mimetic pressure, it seems like if certain embedded agents encounter contradictions and start to work on establishing a new way of doing things, this can through mimetic pressure spread change to a larger portion of the social system. The late majority will often not adopt a new idea until the norms of the social system favor them to do so (Rogers, 2003). This can be contrasted with the normative pressures i.e. when the new way of doing things has spread through the organization and started to shape the new norms, then the late majority will also start to adopt the new idea through normative pressures.

Finally, the least adoptive category, the laggards, have the point of reference in the status quo and like to do things the way they have always been done. Laggards might not be willing to accept change even when nearly everyone else in the organization does so and when the new way of doing things has turned into the norm. Yet again, by applying the lens of diffusion theory on the institutional pressures, the coercive pressure could be seen as the applicable pressure to legitimize the contradictions for these embedded agents as well. When the vast majority of an organization has already adopted a new way of doing things, "critical mass", i.e. the acceptance and adoption has become so high that it is self-sustaining, is achieved (Rogers, 2003), then the risk of resistance through coercive pressure is likely negligible and e.g. standard operating procedures for the new way of doing things could enable the contradictions for these embedded agents as well.

2.2.2. A framework for institutional change

From previous research around institutional change on the finance function we have seen that embedded agents can turn from passive into active when faced with contradictions that create a gap between their desired and current role. Little is however known about how this is done in a decentralized setting without authoritative power. Through applying diffusion theory to the institutional pressures and Seo and Creed's (2002) institutional contradictions we have constructed a framework that tries to address the issue of embedded agents and the spread of institutional contradictions in a decentralized setting.

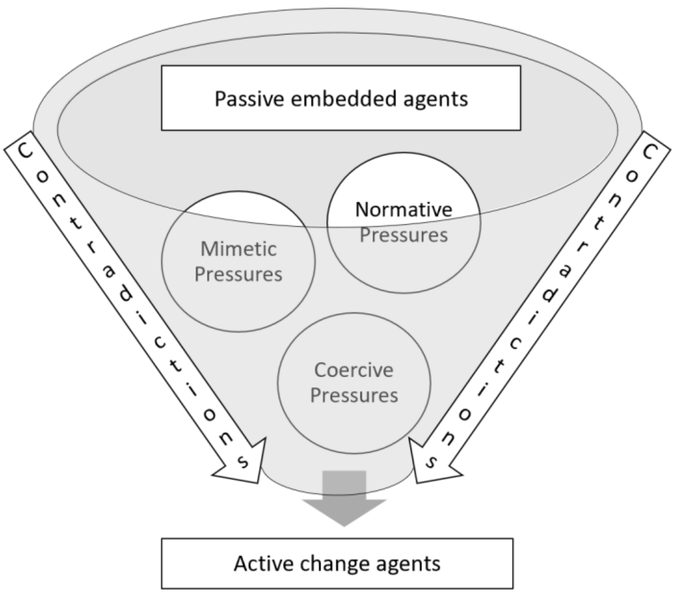

Figure 3 The Funnel of Contradictions

We suggest that in the decentralized setting the contradictions will build and spread in the organization over time through the outlined pressures much like the process of diffusion of innovations. In figure 3 we have visualized the process where passive embedded agents can be funneled through contradictions that build up over time via the institutional pressures, turning them to change. The framework will allow for sensemaking of the micro-level change in the finance function and MA role without losing the dynamics of the macro-level stream as the framework intertwines both perspectives. This addresses the critique of macro and micro level research being conducted on role identity change in parallel rather than interactively (Chreim et al., 2007). It further overcomes the main critiques of the institutional pressures as merely structural as the framework brings them to the agency realm through diffusion theory. Thus, this framework will help to understand *how embedded agents initiate and mobilize change to the finance function in a decentralized organizational setting*. This will contribute to the research need of embedded agent mobilization and activation when there is an absence of strong and powerful executives as the main change agent (Garud et al., 2007; Hwang & Colyvas, 2011).

3. Method

In this section, the methods used in the paper will be explained and discussed in relation to the adopted methodology. The section consists of three parts: *3.1* Research Design, *3.2* Data Collection, and *3.3* Data Analysis.

3.1. Research design

Abductive research often, and so also in this case, starts with an empirical phenomenon that is found puzzling or intriguing to be followed up by a back-and-forth discussion with literature (Bryman & Bell, 2015). That the finance function is under rapid change due to new norms and possibilities through digitalization has been well discussed in literature. However, during recent years a practitioner-based discussion around the topic of “digital finance” has emerged as the possibilities of digitalization have seen rapid development. One of the authors of this paper first heard about the case company’s digitalization vision during an internship in the spring of 2019 and was baffled how references to the new digitalization vision spread in the organization. After an initial interview between the researchers and the Group Digital Finance Manager in early 2020, a first round of reading around changes to the finance function took place. What caught our attention was that projects around business partnering shown in previous literature often meant that MAs were becoming more decentralized, with their base in the business rather than at a central function (e.g. Burns & Baldvinsdottir, 2005; Järvenpää, 2007; Windeck et al., 2015), yet not much research could be found in the management accounting literature on how this affects any actor driven attempts to develop the role further. Unlike previous research (e.g. Baños Sánches-Matamoros et al., 2014; Burns & Baldvinsdottir, 2005; Goretzki et al., 2013), the case organization also seemed reluctant to use any type of authoritative power to change the ways MAs work, which made us curious to see if and how this was possible.

This study has developed over time in an iterative process where a discussion between previous research, current empirical findings and the methods has been kept. This is in line with Ahrens and Chapman’s (2006) idea of keeping a close bond between the research data and question to be able to make a contribution to an area of knowledge.

Although we believe that actors are based in an institutionalized organizational setting, we do not believe that this setting is permanent nor that it exists outside the scope of the people in the organization. Instead, the members are seen as constructing their reality through interactions with others (Bryman & Bell, 2015), and that these interactions lead to a consensus about the common ways of working (Thornton et al., 2012). Lukka and Vinnari (2014) suggest that a clear separation of domain and method theory should be used for the sake of research design and contribution. However, they do recognize that these are often overlapping. To understand how the role of the MA is changing in the new decentralized environment without the role of the authoritative leader, institutionalization became not only a method theory but also a methodology. As such, it was not only used for empirical analysis, but also guided the way to look at the domain to such an extent that the two should be seen as one side of a coin, where the theories inform each other. To understand institutionalization from a more active perspective, elements from diffusion theory were borrowed to create a framework for analysis. The intended contribution is to extend the knowledge on institutional changes to MAs and the finance function.

The case study design was found appropriate as it allowed for researching an ongoing phenomenon in the corporate realm, allowing for relevance also to practitioners. Case studies can also provide boundaries to the research into a given situation (Bryman & Bell, 2015). This was important because even though a larger organization with a decentralized approach of decision making and communication between top management and other members provide intriguing complexity, it could easily also become overwhelming if there were no boundaries to direct the focus. As the case company has a long history of decentralization, not only in the finance field but also throughout operations, we found the decentralization institutionalized in the organizational setting, which was relevant for understanding some of the issues and possibilities this can bring. The company has a long tradition of internal recruitment, meaning that many of the business controllers (the term used for MAs at GlobeInd) have worked for many years in the organization and as such are likely institutionalized in the ways of working.

3.2. Data collection

19 semi structured interviews have been the main source of data with the gathering of presentations and a survey as complementary material. It has been important for the research to try to interpret the logic behind the individual reasoning and investigate the interactions and influences between members. This view has been guiding in the formation of a research question as well as in the choice to base the study on direct interaction between participants and researchers through the primary sources of data collection.

3.2.1. Interview design and participant selection

At the base for this research is 19 semi-structured interviews with members of the case organization *GlobeInd*. The format was chosen as it allows for the researchers to explore ideas within the area of interest while letting interviewees speak freely about how they view their social environment (Qu & Dumay, 2011). Interview questions have been formed around four main topics: the perception of the management accountant role, relationships within the finance function, the knowledge and action taken around zero-reporting, and previous larger initiatives that have affected the controller role. Although all interviews have touched upon all areas, the questions have been adapted both before and during the interviews depending on the knowledge of the person interviewed, new ideas from empirical findings and reviewed literature, and because of interesting findings during the actual interviews.

To understand how the members make sense of their reality, time is of the essence for understanding the context around their interpretations (Bryman & Bell, 2015). Questions have thus been constructed with the future, present, and past in mind. Although a longitudinal study could have provided further insights, the time perspective of the interviews has mitigated these limitations to an extent. However, it should be kept in mind that only an idea of the past and the future are depicted as they are provided from the view of the present.

A purposive sample is carried out from the likelihood that participants should be able to contribute to the understanding of the research question (Bryman & Bell, 2015). To get an understanding of how the changes are institutionalized in the case organization, the selection of participants for interviews have been made on the basis of project maturity. A decision was made to mainly focus on the group level and the MAs in the entities (top and bottom in the organizational hierarchy, see figure 4 p. 25), based on the domain theory discussion where, in this case, the group function has been the initiator of the initiative presented in the case and the MA role relates to any desired change in ways of working. Three main groups were identified for interviews:

- *Group digital finance*. Interviews with members of the digital finance team with focus on controllers. However, other group members engaged in the initiative were interviewed as well. Questions revolved around the long-term vision for the finance function and how they enact and plan to enact it, relationships to other parts of the organization to understand the role of the group level etc. One member, the Group Digital Finance Manager, has been interviewed several times as new questions have emerged, either in relation to literature or from the other interviews.
- *Business controllers engaged in the initiative*. Interviews with controllers in the entities, which the group digital finance knew were actively engaged in or currently planning to engage in the zero-reporting initiative through projects on reducing reporting time, known as the "one-day closing"- project. The focus has been on why they became engaged, what challenges they have faced and their relationships within the company.
- *Other business controllers in the entities*. A list of entities was chosen from three out of four business areas. The fourth business area is relatively newly acquired, and several things are still not integrated in the larger company. As such, to research institutionalization, they were left out of the study. Similarly, newly acquired companies in the other business areas were left out as well. We tried to get a global spread in that some entities were not covered by an SSO and thus carried larger in-house finance functions. A mix of sales entities, production entities and distribution entities were chosen, although the larger part consists of sales entities. The Group Digital Finance Manager reviewed the list and gave short comments around the entities. Questions were formed around how much they knew about the vision and if it had changed anything in their way of working. We

realized over time that a different approach with more focus on relationships within the finance function was needed and altered the questions accordingly.

In addition, one interview has taken place with a Digital Finance Manager for one of the business areas as well as the General Manager for one of the SSOs. These were scheduled to fill in the gaps when questions arose such as how the shared services work with the entities or to get a glimpse of what the business areas' takes on zero-reporting looked like. A chart of details around the interviews can be found in table 1 below:

No	Date	Time	Position / acronym	Organization	Region of responsibility*	Time in company
1	2020-01-20	00:57	Group Digital Finance Manager	Group-level	Global	10 years
2	2020-02-21	00:46	Group Digital Finance Manager	Group-level	Global	10 years
3	2020-03-04	01:18	Vice President Group Controlling	Group-level	Global	35 years
4	2020-03-10	00:54	Business Controller 1	Sales Entity	Western Europe	15 years
5	2020-03-11	00:32	Group Financial Controller	Group-level	Global	5 months
6	2020-03-11	00:39	Business Controller 2	Product Entity	Northern Europe	18 years
7	2020-03-13	00:59	Group Digital Finance Specialist	Group-level	Global	11 years
8	2020-03-16	01:07	Business Controller 3	Sales Entity	Northern Europe	14 years
9	2020-03-19	01:24	Business Area Digital Finance Manager	Business Area 2	Global	29 years
10	2020-03-24	00:50	Group Business Intelligence Process Lead (GBIPL)	Group-level	Global	16 years
11	2020-03-25	00:54	Business Controller 4	Sales Entity	Estern Europe	16 years
12	2020-03-26	01:13	Business Controller 5	Sales Entity	Central Europe	10 years
13	2020-03-27	00:57	Business Controller 6	Sales Entity	Central Europe	6.5 years
14	2020-03-27	00:57	Business Controller 7	Sales Entity	South America	6 years
15	2020-03-27	00:44	Business Controller 8	Sales Entity	Central Asia	3.5 years
16	2020-03-30	00:57	Business Controller 9	Sales Entity	Southern Europe	28 years
17	2020-04-01	00:59	General Manager Shared Service Organization	Shared Service Organization	Europe (mainly)	30 years
18	2020-04-07	01:18	Group Digital Finance Manager	Group-level	Global	10 years
19	2020-04-07	00:49	Business Controller 10	Distribution Entity	Central Europe	30 years

* All with global responsibility based in HQ Sweden (included in Northern Europe) except for GBIPL based in Central Europe

Table 1Interviews

All interviews were conducted between January and April of 2020. Interviews have been recorded with the permission from the respondents and transcribed in full. The interviews have been carried out in Swedish and in English, with the Swedish interviews translated into English as they were transcribed. After a couple of interviews, we found that the authenticity of the answers were strengthened when the respondent's own words were directly used to describe the reality through the eyes of the MAs themselves (Bryman & Bell, 2015). This led to a decision to carry out all further interviews in English. The time for the interviews has ranged roughly 30 minutes to 1.5 hours. Most interviews have been carried out through web-meetings partly due to geographical distances but also as a result of the COVID-19 outbreak, where organizational members were assigned to work from home. This has however not been experienced as an obstacle as the sharing of video and sound has made the interviews rich with signals, creating, for the most part, a rather intimate feel to the interviews.

3.2.2. Additional data

Apart from the interviews, a non-structured approach was taken to data collection. The documentation consisted of various presentations around the company and the zero-reporting initiative from both the group and from other individuals in the organization. In addition, a survey around the MA role in GlobeInd was used. The survey took place in the spring of 2019 and were constructed by the group and directed to the finance community. 150 members answered the survey on how they see their role and what challenges they are facing. Both the raw data and an interpretation from the Group Digital Finance Manager has been accessed. The results of the survey have been used to get better insight into how the finance organization at large spend their time and how they view their roles.

One of the researchers has, before the study took place, participated as a member in the organization through two internships, where one was based in the group controlling function and one in the digital finance function of one of the business areas. These experiences have allowed for direct observation and participation into some areas of the case and the case organization. This has provided knowledge of the organizational setting and discourse, something that has been experienced as valuable both for formation of the interviews and interpretation of the answers.

3.3. Data analysis

By seeing analysis as a process allows for qualitative research to go beyond description of variables to understand the processes that leads to the ways of working, and will guide the theoretical development through redefining theories and testing ideas (Ahrens & Chapman, 2006). For this paper, analysis has been an ongoing process throughout the study where after each interview, a discussion around the most important and surprising parts in relation to the framework has been discussed. This has led to that the literature has been re-reviewed over time, that new literature has been added, and that questions for participants have been reworked for deepened insights. Through this process, themes and patterns have emerged. After all data was gathered, these patterns have guided a consolidation of the interviews into themes and categories where the analysis is built around empirical themes and later divided into theoretical categories.

Data has been analyzed in reference to the theoretical framework based on a combination of institutional and diffusion theory. Several previous studies around changes to the finance function have also applied an institutional perspective for analysis of observations (Burns & Baldvinsdottir, 2005; Goretzki et al., 2013; Horton & Wanderley, 2018). Lukka and Vinnari (2014) fear that when a certain method theory is commonly used within a field it risks undermining the independence of that field. Although we agree that a multitude of lenses will give valuable insight from different perspectives, we also argue that applying similar lenses can give depth to the field through being able to investigate gaps in the domain theory while at the same time putting the research in a perspective of other studies. This increases the opportunities for theoretical generalization. By adding elements of diffusion theory, this also brings an extension to the understanding of institutionalization through addressing gaps we found from explaining actor driven institutionalized change.

To give authenticity to the results of the study, a rich description of the empirical data is presented. The description should be organized in a way that the reader can understand the interpretations of members through the processes that occurs in events (Ahrens & Chapman, 2006). Here the framework has acted as a guide to the categorization of events and why they are seen as important to answer the research question. Considerations have been taken not to consciously misinterpret the responses of interviewees through keeping the context in mind in the choice of both the overall analysis and direct quotes. However, from shaping the topics for the interviews to interpreting the results, the research is colored by the view and previous knowledge of the researchers (Ahrens & Chapman, 2006; e.g. Bryman & Bell, 2015; Qu & Dumay, 2011).

4. Empirical Analysis

In this section, the case is presented, observed and analyzed through the conducted interviews and the established framework. Section *4.1* introduces the case company GlobeInd, its organizational structure and the role of the Business Controller. Section *4.2* delves into the "zero-reporting initiative" and its implications on the change of MAs and the finance functions in GlobeInd. The section is divided into different themes where the initiation and mobilization through the initiative and the MAs are reviewed and made sense of through our framework.

4.1. Introduction to GlobeInd

GlobeInd is an industrial firm with its roots going back to the late 19th century. It manufactures and sells a variety of high quality, innovative products intended for industrial use. GlobeInd is seen as one of the market leaders within its fields. With its origin and headquarters in Sweden, it has grown to become a large multinational firm with around 39000 employees and revenues of 9.5 billion EUR in 2019.

4.1.1. Organization

GlobeInd's organization is divided into four business areas (BAs) that are focused on certain product types. Under the BAs are divisions that govern several entities below them. At the time of the study there were around 500 entities in GlobeInd. The entities are roughly focused on either sales, distribution, or production and product development, although exceptions exist that are both producers and sellers to end customers. The company works in a complex matrix structure where a large amount of acquisitions makes the organization hard to grasp even for those inside the organization. A simplified view of the organizational set up is depicted in figure 4.

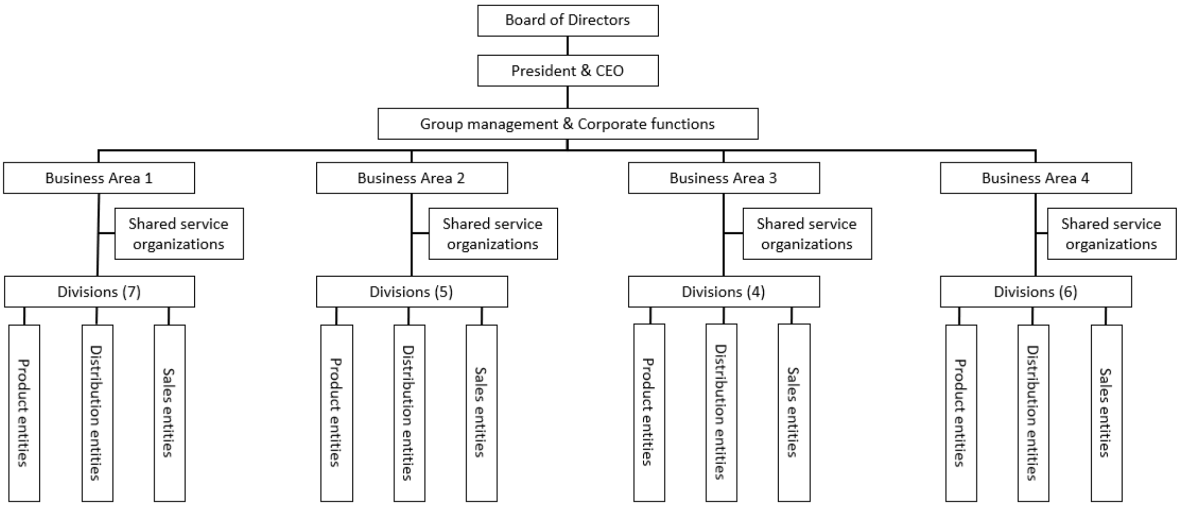

Figure 4 Simplified depiction of GlobeInd's organizational structure

The organization is decentralized with the divisions as the highest operational entities. All entities are responsible for their own profit and loss or income statement. As such, the group management and corporate functions are small in comparison and only contain non-operational functions such as treasury and parent company accounting. The Group Digital Finance, the starting point for this paper, is also located at the group function and was formed in 2019 by combining Group Controlling, Group Accounting, and Group Reporting.

Under the business areas lie the responsibility of in-house SSOs, also referred to as "financial hubs". In several cases, the BAs share hubs for some regions, which is for example the case for the largest hub in Europe, supporting BA 2 and BA 3, covering close to 20% of all entities. The SSOs are offering sales entities services mainly within purchase to pay and accounting to reporting. However, services around certain areas of digitalization are under development. At the time of the study, most sales entities can access the services of the hubs and plans are that more entities will be supported by the hub in the future both on a regional basis and through extending the services to all types of entities.

The group uses a variety of ERP systems across entities. Since approximately eight years back from when this study is carried out, a process of rolling out a common ERP system to all sales entities has been ongoing. Although most larger regions are connected to the new system at the time of this study, a couple of regions are still waiting on the roll-out.

4.1.2. The Business Controller

Most of the MAs, or business controllers as they are called in GlobeInd, are based in the entities. While the finance teams in the production and distribution entities still contain several roles, such as a leading accountant and people to handle accounts payable and accounts receivable, the sales entities usually only contain one or a few controllers, sometimes supported by an assistant(s).

The MA role experienced a formal shift in 1997/1998 during the time when SSOs were initially implemented. What had previously been a Finance Manager, with responsibility over several functions, became that of the Business Controller. Although experienced like a tough transition at the time, the role has since then become established. The business controller role is described as being as much in business as in control. The controller should be a sparring partner and advisor to the General Manager through analyzing, participating in and supporting business activities. It should at the same time secure that internal control processes are in place and that processes from group-level are implemented.

4.2. Case: The "zero-reporting" initiative

4.2.1. The zero-reporting initiative and the decentralized approach

The zero-reporting initiative is a group wide vision in GlobeInd where the ultimate goal, according to the Vice President (VP) Group Controller, is that *"[...] no one needs to report in the future."* The initiative is seen as a long-term project with multiple milestones that need to be reached along the way. The zero-reporting initiative has two sides to it:

1.) The technical side is about implementing necessary system(s) that will allow for the zero-reporting. This includes a real-time group data solution, rolling out the main ERP system to more entities, smart analytics and dynamic output software etc.
2.) The process side is about challenging the current way things are done at the finance function in order to make the processes as efficient as possible. This includes being able to close in one day instead of three, closer collaboration with the SSOs and increasing the competence for the usage of relevant management accounting systems.

The group level has taken responsibility for providing a real-time group data solution whereas engagement in the process side is mainly done through the BAs. The group's system solution is intended to provide *"[...] real-time data at our fingertips all the time"*. The VP Group Controller elaborates on what the system will ideally allow for:

> *Through this system we are going to save an enormous amount of time. Currently we are blind for one month before we see what is going on in [GlobeInd] and even that information is already old when we receive it. In order for us to have a good base for strategic decisions we need to see everything all the time effortlessly.*

This statement indicates that the main hope for the system is to, in addition to reducing reporting time or making it completely unnecessary, enable more proactive decision-making rather than reactive decision-making that the currently lagging data is leading to. The zero-reporting initiative thus suggests another way of working in terms of information usage for the business controllers at GlobeInd. The Group Digital Manager explains:

> *In the long run when we have all this data then [...] it also needs to be used in a different way than today, when we can see the business in real time when it comes to financial outcomes and not only at the month end.*

This implies that only by achieving both system and process improvement and then finally combining the two can the vision of zero-reporting be fulfilled completely. As such, the spread and acceptance of the technical solution and the new ways of working are both crucial for the success of the initiative. However, the group function seems adamant to not be viewed as the ones pushing for zero-reporting on the process side of the project:

> *I feel like the key to driving a project [in GlobeInd] is to generate a pull to do it rather than a push that it should be done.* – VP Group Controller

The statement by the VP Group Controller sets the stage for how GlobeInd approaches an initiation of a groupwide project. According to the Digital Finance Manager, the notion of as much freedom as possible for the BAs is important for adhering to the decentralization at GlobeInd. Thus, no actions by the group function should be viewed as them *"meddling in the business of the BAs"*, as the Group Digital Finance Manager puts it. Generating a pull indicates that a significant amount of acceptance needs to be gathered through the initiation process in order to successfully implement a change project without overstepping the aspects of decentralization present at GlobeInd. When it comes to challenging the current ways of working, the group function will focus on inspiration and spreading of the zero-reporting message. When asking how the Business Controllers experience GlobeInd as an organization compared to their previous employers, the recurring theme is related to the autonomy they have to conduct business:

> *People trust you with the business and hence are not bothering you every hour of the week but respect your capabilities and I can actually get some work done.*
> – Business Controller 7

When relating GlobeInd's concept of decentralization back to our framework, it seems like they are indeed recognizing that the agents within the organization are the key to successfully initiate and implement change in the finance function.

4.2.2. Creating the best practice

In 2017-2018 a major shift in the company, where one BA was split and entities were divested, has largely affected the continuation of what is now known as the zero-reporting initiative in GlobeInd. With the split, Business Controller 3 could see her entity drastically changing, and with it, she had to be at the frontline in making these changes happen, having to take a project manager role for the split while at the same time having the responsibility over the entity's reporting:

> *During the split the tasks I was told to undertake were all but voluntary. It was very much forced. [I was told that] "Even if it takes you working 24 or 48 hours non-stop, you have to finish this". There was a pretty large resistance to this at first. I thought: "Oh god, how should we handle this?"* – Business Controller 3

This time is described as a personal crisis, both from tasks at first seeming impossible and from a level of anxiety about losing colleagues and fearing to lose her own job. Through coercive pressures to manage new things, the company unconsciously pushed her to manage more than she first thought she could handle. Although the time is described as focused on hard work and survival rather than inspiration, it also led to the challenging of old ways. The work done with the restructuring had opened for new ways of viewing reporting that was not a part of the institutionalized view for GlobeInd at the time:

> *Through these changes that transferred the focus from simply closing the books to how a closing could be managed [...] It was then when I realized that we could really look over our processes.* – Business Controller 3

When things returned to normal, the time had created a sense of being able to do more. A contradiction had been created through breaking the established patterns and seeing the possibilities for something new. However, for this to happen, a triggering event had to take place where change was coerced rather than an option. The contradiction did thus not come from the event itself, but through the work that followed and seeing that another way of using data was possible in the institutional environment. Throughout the process, the motivation for change had developed from that of force to personal inspiration.

At the same time, the VP Group Controller, a highly inspirational person that talks passionately about her job and about GlobeInd, was relatively new at her position after spending close to 35 years in the company at various finance positions across the world. One of these positions were at an entity where she worked with Business Controller 3. Following the hardships of the restructuring, the two sat down and informally talked about the future:

> *We sat down and talked about what the next step should be, and I said: "Maybe you can close in one day?". I said it just like that and she accepted it and thought "ok, now I should close in one day", and she took it on as her own project.* – VP Group Controller

What was the outcome of this seemingly spontaneous discussion became later referred to as "one-day closing", one of the important milestones in the zero-reporting initiative at GlobeInd. Through the faced contradictions and the discovery of new ways of doing things, Business Controller 3 had moved to a state where she easily accepted a project that previously would have created friction with the established way of closing in three days.

Business Controller 3 started to work on improving her processes with the idea to be able to influence business in close to real time instead of reacting on what has already taken place. Rather than improving existing processes, Business Controller 3 started to question the entire way she was working. She started to make continuous follow-ups and new digital tools for analysis were incorporated into the business. She saw these steps as necessary to achieve one-day closing as they allowed for solving problems immediately when they arose rather than at month end. In this way she started to use reporting more proactively in the business. In describing the future of the business controller, the VP Group Controller reference the work of Business Controller 3:

> *She looks daily [at the data], since she has daily information from the system, she sees that "okay, there are a lot of service orders that has not been closed in a week, why?" Then, she reaches out and talks with the service guys, "Hey, why are you not finished with these assignments?", instead of sitting around waiting; "why was reporting at service so bad this month?" Then, it is too late. I think when you become more proactive, you can work with data analysis and make sure that it is up to date.*

Business Controller 3 seems to have created a new ideal of what the zero-reporting initiative could mean for the business controller role in GlobeInd:

> *Zero reporting is a lot about processes, it is a lot about data between reporting periods. We have seen that [Business Controller 3] is able to close the books in one day […] and that is because she is working with her numbers everyday instead of only at the end of the month. Okay, so why can't everyone close the books in one day instead of three days when she can do it for her responsibility area?* – Group Digital Finance Manager

The Group Digital Finance Manager observed that through working differently with processes and data, the closing procedure could be done much more efficiently. With Business Controller 3 as a case in point, she could start questioning why other business controllers were not able to do the same. It could be argued that Business Controller 3 had become the embodiment of a contradiction to the current way many business controllers in GlobeInd were working.

4.2.3. Leverage through competitive mindset and the soft approach of mimetic pressure

It is expressed by several group-level actors that the zero-reporting initiative has wide support across the company and that it is a vision to be achieved together by all members of the group. From the business controller side, although some express concerns about specifics, most agree that the zero-reporting initiative is a move in the right direction as they feel that the current ways of working with reporting takes time from them acting out a business partner role:

> *Probably being the business partner has been the intention in the past as well. However, in my roles at least, there has been a lot of time dedicated to accounting and reporting and just making numbers correct. […] I think when you spend so much time preparing [reports], you are really losing the focus of looking at what you have prepared.* – Business Controller 4

As the initiative could mean moving further towards the aspired identity, a contradiction that triggers the search for new ways should already have occurred, yet only a few business controllers have taken action for the milestone of "one-day closing".

To facilitate change by getting more people onboard, while at the same time avoiding putting formal demands or going into long-hauled political discussion about what will be the best way of doing things, the group function relies on informal methods of influence without reducing the autonomy of individual BAs or entities. One such strategy is to use internal benchmarking between BAs. The VP Group Controller explains:

I think this competitive instinct is very driven at a business area level. I mean, when [Business Area 2] sees that at [Business Area 3] some entities are already closing in one day, […] then they put pressure on their entities: "hey you, look here, they are doing it. Now we also have to look at how we can do this". So, the business areas are very much driving this process. This is what it is about, to drive this only from the group [function] is in our structure very challenging. So, if you can get the business areas to commit to this and make them feel like "We are a part of this. We want this to happen"- then it can happen.

The group function and the BAs use internal competition to create contradictions within the company, motivating others to act. Business Controller 3 is used extensively to showcase a "best practice" case. For example, she and her team were brought to present their one-day closing success story at an internal digital finance summit as well as take part in a panel around the future role of the controller. It can be argued that, through the support of the group, Business Controller 3 has become an inspirational change agent who acts as an example and a source of discourse around the topic of the MA role in relation to digital finance. As she initially encountered contradictions through coercive pressures that moved her towards becoming a change agent, she now acts as a mimetic pressure point igniting the same contradictions in her embedded colleagues. In a similar manner, other entities that later have become engaged in the one-day closing project are also made visible through presentations, the company intranet, and emails around GlobeInd.

The VP Group Controller and Group Digital Finance Manager also use their large networks to share the idea of zero-reporting beyond the finance community by presenting in meetings with general managers, hoping that they in turn will convey the vision on to their controllers and the rest of their entities. Creating this type of mimetic pressure is likely meant to trigger the business controllers to act without having to resort to requirements that could feel enforced.

> *I believe that little by little we will at some point then say that now our month end closing is not three days anymore, but it is in fact one day. "We know that this is possible because some of the entities are already doing it. Now all of the entities should do it." Of course, this is not something we are going to start by saying. If we immediately said this [requirement to report in one day] it would not work at all, then people would [not accept] and thus we want to start with the entities thinking about process optimization themselves. Ask instead in the beginning: "How would you do it in one day even if you have three days to do it?" Then, when most of the entities move towards this through those questions, we can finally force the last one in line as well.* – Group Digital Finance Manager

This suggests that GlobeInd is indeed moving or at least trying to move towards new ways of working through the process of institutional pressures acting as instigators of contradictions. The controllers who are already engaging in process optimization are likely to experience lower barriers when it comes to change as it does not shift their entire way of working. Leaving controllers, at least initially, to decide on their own level of engagement in the project can be seen as a targeting strategy that does not require authoritative control.

The case of Business Controller 3 is known and referenced by many controllers we talk to. Business Controller 1 and Business Controller 6 both got asked by their business areas to participate in the "one-day closing" project. Business Controller 6 explains how her involvement relates to the case of Business Controller 3:

> *They got a meeting from [Business Area 3] saying "hey, we almost actually closed in one day" […] and they thought "okay, maybe we should see if we can do that as well". […] we were already doing a lot of things that they were doing, so we followed up sales and stock and these things during the month already.*

In both cases, it is clear that the BAs have been influenced by Business Controller 3. As both controllers were already working proactively with following up their data even before they were engaged in the initiative, the step to change the role into the desired way of working was small. Through showcasing good examples of what was seen as a role-model, the group function had not only awakened a competitive instinct, they had also given guidance on how the vision should be translated into the institutional landscape through relating it to the characteristics of the ideal role of the controller.

4.2.4. Processes, systems and the issue with decentralization and change

Something that is touched upon by many interviewees is that the system knowledge has become increasingly important for the controller. According to the Group Business Intelligence Process Lead (GBIPL), the focus has shifted more and more towards utilizing smart analytic tools and providing "self-service" for the systems:

> *[…] if you don't understand how the data is acquired, how the systems are organized, the databases applied and the rules for transforming data, to set up integrations between data, the tool and your system […] then of course you are restricted. – GBIPL*

Many of the business controllers see the processes as an outcome and dependent on the ERP system they have access to and thus the "*system constraints force you to make a process a certain way*" (Business Controller 8). Several controllers stated that they feel that they need to be knowledgeable within systems and IT tools to perform well in their role. When it comes to engaging in one-day closing, we see that both Business Controller 1 and Business Controller 6 were knowledgeable in the common ERP system for sales entities. They both point out that they think their proficiency within the system was one of the main reasons that they were asked to participate as pilots for closing in one day. Business Controller 1 says that she sees that a process focus through system knowledge is contributing to her role as a "business partner".

However, there is also fear among some business controllers that further digitalization through automation might result in losing the necessary knowledgebase needed for the controller's responsibilities. The reactions to systems increasingly taking over tasks and system knowledge evolving into a necessary part of a business controller's skillset has been varying. Some of the business controllers see it as a necessity to learn the systems better while others instead resist the idea. According to the Digital Finance Manager for one of the BAs:

> *The finance knowledge exists but it is not very easy to transform that into system knowledge. It needs constant work with the people and how the processes are used, and we are unfortunately not doing that.*

For those that do not possess the system knowledge, trying to model their ways of working after peers who do have the system knowledge seems to be a challenge.

Although we have previously seen how spreading best-practice cases seems to have an effect of initiating change among actors in the finance function of GlobeInd, the mimicking possibilities are facing barriers relating to the decentralized organizational structure. The most recurring arguments for why the business controllers cannot work on their processes in order to move towards the zero-reporting vision is that the (1) systems or the (2) local requirements do not allow for it.

Due to the decentralized structure of GlobeInd, every entity has developed their own methods and processes. While some controllers point out that they discuss and share ideas on processes with others, any differences in systems seem to be affecting the way that entities understand and communicate with each other. Business Controller 5 clarifies:

[…] with 20 different ERP systems it is not that easy to bring everybody together because you cannot talk about the same topics.

As such, communication and discourse around processes are mainly occurring among the entities with the same system, which usually is also region dependent. We see here that having different ERP systems is preventing the sharing of process improvements. Although many of the sales entities, especially in Europe, have the same system, their experience level depends on when the roll-out for the current ERP system took place. Entities who are still waiting for the newer system to be implemented feel that they are far from closing in one day, and that the systems they use do not provide them with sufficient data for continuous follow up.

Although some processes differ because of applied systems or local reasons such as legal reporting, several people also point out that there are many inefficiencies due to the absence of more aligned standard operating procedures across GlobeInd. Business Controller 9, who has a long history in GlobeInd across several BAs, sees that the argument of not being able to change processes in line with best practice due to local specifics does not always hold up:

> *Often, we say that things are very specific in one country when in reality it is really not that specific. Now that I am again with [Business Area 3] with this region I see that one "specific" thing in one country is exactly the same "SPECIFIC THING" in another country. So, in the end it is not specific*. – Business Controller 9

Regardless of whether some or all of the local specifics are actually hindering the alignment with peers, much like the system argument, it is used as a legitimized reason for why some are not able to engage in the one-day closing initiative to the extent that others are. As an example, both Business Controllers 7 and 8 consider their region's local regulations as something that requires more time compared to other countries and that some processes just need to be a certain way because of the country specifics.

The decentralized structure creates barriers, where a single set of processes are not directly translatable from one entity to the other. This also means that it is more difficult to understand how other cases relate to your own way of doing things. When a best practice entity showcases their successes with process change but use a different system than the entity they try to convey the success to, it does not become relatable as the opportunity to work in a new way was created under different circumstances. As such, the contradiction between the ideal way of working and the current way of working is not developed in relation to the controller's own reality but can only be understood from the perspective of the other person. Although we have argued that there is mimetic pressure of showcasing the best practice entities, the applicability of these cases is limited for entities with system and/or process discrepancies. Through the sharing of certain features, such as the common ERP system for sales entities, some of these barriers are mediated as the controllers in these cases speak "a common language".

The group function has seemingly also realized that the system argument needs addressing. Although they believe changed processes are at the center for making the zero-reporting successful, and sooner or later needs to be addressed more thoroughly, they do not wish, nor feel that they have the ability to decide over what individual controllers or entities do. Instead, the process development is left under the responsibility of each BA whereas the group function has taken ownership of the common group system. The Group Digital Finance Manager explains their approach of not yet getting into process development in relation to the zero-reporting initiative:

> *It is […] a big challenge, and that is also a big reason why we have decided to start with the technical solution. Because while it is also very complicated to set up, we saw that as a more feasible first step because once again we are brought back to the fact that [GlobeInd] is decentralized. There are no standard processes, there are different processes within different organizations […], and those processes are the responsibility of the business area. So, they own these processes and they also need to initiate the change. So here we are coming [to the] challenge of the business areas coming together and trying to find efficiencies.*

In order to mitigate the system and process discrepancies that the decentralization creates, pilot projects are occurring at several locations where distinct versions of the zero-reporting initiative are set up in accordance to what it means for each location and controller. The number of entities joining the one-day closing project and showcasing them becomes important for spreading the new ways of working:

> *You have to find promoters. You have to succeed in selling the concept to everyone and you might not be able to do that as a separate individual but instead you have to get a lot of people on board and identify the people who are important and who can influence and target those.* – Digital Finance Specialist

It becomes clear that the diffusion curve fits quite well into GlobeInds approach for spreading the zero-reporting vision under the “constraints” of their decentralized culture. Finding promoters can be seen as locating the innovators and early adopters who can through pressures continue spreading the contradictions to an ever-increasing audience i.e. the majority.

In addition to increasing the amount of entities engaging in zero-reporting and diversifying the locations where these entities are set, the type of entities is also an important consideration:

> *Many say that "ok, this works for a customer center but not for a product company". So, if we now can get a case where also a product company is doing this then we can say "it works also for a product company, go talk to [name of entity]". Surely, it does not happen overnight, but I don't think we have that ambition either that it needs to happen straight away. This is a process, all the time, every day we become a better company.* – VP Group Controller

Being able to showcase business controllers engaging and succeeding in the one-day closing project across entity types and geographical locations builds up contradictions through mimetic pressures that are also resistant against the "system and local specifics arguments". It shows how the project can be interpreted to the business controllers in differing environments. The buildup of entities is also generating normative pressures as now it is not only about showing that it is possible but also about generating a feeling that everybody around you is engaging in it.

The importance of being able to show diversity among entity types to generate normative pressures becomes apparent when talking to one of the distribution entities that has been advertised as being actively engaged in the one-day closing project:

> *I have heard about it [the zero-reporting initiative] and I support it completely. But I have no idea about what they are doing. I read about it on the intra and saw some mails and I know that there is a group that is busy with that. But how it will look like I have no idea.* – Business Controller 10

During the interview it became apparent that Business Controller 10 was not really striving for closing in one day, had only exchanged a couple of emails regarding what he thought he could do to close faster and had no idea that this was connected as a major milestone to the zero-reporting initiative. Yet, from the group function and his BA he is showcased as proof of distribution centers also actively being engaged in the zero-reporting milestones. Creating the normative pressure in order to further advance the contradictions needed to mobilize the embedded MAs regardless of location or entity type seems to be deemed paramount to the degree where success stories were, in some instances, almost fabricated in order to build up the needed pressure. At the time of the study only two entities had managed to actually close in one day and many of the interviewed business controllers mention that they would like to see results before they are asked to engage themselves:

> *I hope they will rather try to sell it than impose it. […] I hope when they present it to me, they have already evaluated it through experiences with other countries that have already done it.* – Business Controller 9

Many of the controllers seem to fall into the category that diffusion theory would characterize as either of the majorities. From examples like the quote above we can see that the pressure would need to be on a normative level for the agent to adopt the new way of doing things, which brings more clarity into why GlobeInd is willing to showcase every case they can as a success story.

4.2.5. Interdependencies as enabling and inhibiting

To achieve closing in one day, the controllers both have to change their own processes, but also influence the work of others. This implies that when a business controller would be willing to work towards the milestones of zero-reporting, if other parts of the business controller's entity or other entities they deal with are not engaged, the change process might fall short. The Digital Finance Manager for one of the BAs clarifies:

> *Mostly what we do in finance is a result of another process, and if we can be a part of affecting this process, then we will come further towards zero-reporting, I am confident about that.*

Several controllers pointed out that they are closely working with their respective entities' functions to change the way things are done in operations, which they believe is crucial for the finance functions becoming more efficient. Most of the interviewed business controllers felt like their entities consider the finance function a part of the operations. This implies that if the entity as a whole is supportive of the zero-reporting initiative, then it is more likely that the business controller feels that milestones such as the one-day closing are important to engage in. However, being considered part of the operations when the rest of the entity prioritizes other aspects might also move the business controller's focus away from zero-reporting:

> *We are not so worried about zero-reporting. We have to focus on other things like our daily business […] Whenever we have time we are trying to implement whatever it is that they have in Europe but we have to put more time into the business […] we are focused trying to keep the wheel running.* – Business Controller 7

Throughout the interview Business Controller 7 made it clear that running the business requires all of his focus. The situation of Business Controller 7 encompasses all of the elements or arguments that we have discussed so far as creators of inertia towards the zero-reporting initiative: the location, the "system argument" and business prioritization. He operates far away from Europe and discussed extensively how local regulations create discrepancies making his entities' situations completely different to Europe's. His entities use some of the oldest ERP and accounting systems still in GlobeInd, which he argued are the main reason for slower reporting and the processes being the way they are. The operational side of his entities focus on the business and only tackle closing or reporting related issues as they arise since there is no time for proactive work on the processes related to accounting and finance. Although the local specifics of the geographical area was highlighted in this case, we could see that also business controllers based in Europe used similar arguments, indicating that they did not grasp how process work around the one-day closing project would benefit their operational work. Where we have previously argued for that the reduced reporting needs would motivate action through allowing to act out aspired identities of business partnering, these controllers provide a new perspective, where the process work needed for change is instead seen as preventative of carrying out the desired role. We could thus see that the aspirations of business partnering also created barriers for change.

Interdependencies between other entities, like the need to get intercompany invoices approved, and centrally run system automations also constrain controllers' ability to achieve the zero-reporting milestone:

> *[A specific entity] does not stick to those deadlines! They send invoices on the last working day of the month, they put it on their site of the system, we do not have the documents, then we need to ask for a copy of the document, then we can put it in the system but then we do not have the right coding and not the right cost center or GL account so we need to spend time on those things […]. There are a lot of things that are outside our control…* – Business Controller 5

Some of the business controllers felt frustrated that things outside of their own entities influenced how well they could work with the efficiency of their processes. This lowered the motivation to find new ways of working since they felt that they could not do more unless the other issues were addressed first. The Digital Finance Manager for BA 2 said that "*Some of the entities I have discussed with actually get angry when I ask if they want to put effort into a one-day closing project*.", as they felt that they could already achieve this if it weren't for waiting on automations to run on specified days. By participating in the initiative a few controllers still try to change things beyond their own entities. Although Business Controller 1 says that she "*does not feel particularly empowered*" she managed to create a fast-track for the system automations to be run on day one. She argued that this was possible due to her part time position at the team working with the development of the common ERP system for sales entities. Business Controller 3 specified how she referred to the initiative to convince another entity to give her the continuous data by saying *"[…] now I am a pilot in this and you have to. Soon this will come to you as well!".* Both business Controller 3 and 6 understood that they needed to move beyond their own entity to achieve their goal and used their participation to influence others. The lack of influence over the large organization is however contributing to making MAs in GlobeInd passive. Business Controller 3 points out that the ability to change is based on a multitude of factors:

[…] it's up to what managers you have, what organization you have, that you have a structure where you can change things, does the structure allow you to speak up […]. We are working a lot with entities abroad and there you have more hierarchical structures, where the mindset is that "why should you question something that is already working?" – Business Controller 3

Controllers who acted to change their surroundings were strengthened by their formal participation in the initiative, but they also possessed individual characteristics that probably contributed to their attempts of influencing others.

4.2.6. The individual and the power of the network

Personality and drive seemed to be important factors when reviewing which business controllers were actively attempting to change already at the beginning of the initiative. Business Controller 2, the controller for a product company joining the initiative, characterized herself as someone who thrives on searching for ways to improve and *"always go for something to develop and make it more lean, make it more structured."*. Business Controller 3 liked to set up goals for herself that resonated with the philosophy that she could always *"[..] do things a little bit faster, a little bit better"* and she felt comfortable with *"sticking [her] neck out"* if she thought something needed to improve and she had an idea of how to do it. Business Controller 6 was already working on faster reporting before the initiation of the one-day closing project. She was described by her colleague, Business Controller 5, as an outspoken, strong and knowledgeable individual he often seeks advice from as she is "*on top of things."* Perhaps not so coincidentally, these three business controllers were some the first to start engaging in the zero-reporting initiative and are now a part of the main pilot cases promoted across GlobeInd as examples of best practice. It is not farfetched to characterize these business controllers as early adopters or even innovators that through mimetic pressure create contradictions to the perhaps less adoptive business controllers in the organization.

However, even though the controllers participating exhibited personalities thriving on development, there were other controllers showcasing the same characteristics that did not act. We could see, that although decentralized, GlobeInd is by no means a flat organization and hierarchies and relationships play a part in who gets access to information. Some business controllers felt that very little information is transferred through the organization. In terms of zero-reporting, although Business Controller 4 had a general understanding on what it is about, he was frustrated that he still did not fully grasp what it means for him and his entity:

> *It's not very much information provided to the controllers, at least not some of us, what are really the plans and the timelines for certain things. Either it's us not asking enough questions to the right management, or it's a lack of information. Because sometimes… It's also difficult to explain to the rest of the organization why we do certain things if the overall objective is not perfectly clear.*

Even though every business controller was at least aware of the existence of the zero-reporting initiative, the comprehension of what this initiative actually meant for them varied a lot across the business controllers. It was interesting to note that the closer the entities were geographically to GlobeInd's headquarters in Sweden, the more engaged the entity business controllers seemed to be in zero-reporting. Correlation is however not always causation. Both relationships and thresholds to engage in conversations with the group function's or BA's zero-reporting project leaders seemed to play a role in the contradictions becoming available for the business controllers. We could see that as few still fully grasped the meaning of the initiative, access to the few people who did provided benefits for interpretation. Business Controller 2, who is sitting in the same building as the members of the group function could easily schedule a meeting with the Group Digital Finance Manager and VP Group Controller for defining the scope of her project:

> *I saw a presentation about the zero-reporting initiative and thought "that would be interesting". Then I went to [VP Group Controller] and [Group Digital Finance Manager] and we had a discussion.*

During the discussion Business Controller 2 was able to get clarification on what zero-reporting meant for the group and she was able to define what it was going to mean for her entity. Getting the answers to her questions and explaining what support she needed to succeed only required her to walk into the group-function's office space and request a sit-down. Contrast this with Business Controller 7 who sits on the other side of the world:

> *I am missing the physical meetings. I could be learning a lot from Europe. I could be learning how they are adapting and using [the new ERP system] but they are not putting focus on that. So, exchanging experiences is really good. When you meet face to face during breaks or having a beer, the relationships improve. So, if you call me later, I will put more effort in trying to help you. If we do not have personal contact, it becomes different in terms of help. I am not saying that no one is going to help without a personal relationship, but with the relationship there will be more eagerness to help.*

Business Controller 7 felt that there has been a lack of effort from the BA to stay in touch with him and his finance function on matters other than related to situations where deviations in the business have been noted. He was also one of the most uninvolved Business Controllers when it came to the zero-reporting initiative, where he saw it as something that he did not have time to contemplate over as those he reported to were mainly interested in his entity's performance in terms of financial performance indicators. The development of institutional contradictions for both of the examined business controllers were vastly different. Where Business Controller 2 knew personally the people who could help her turn her contradiction on the current way of working into new praxis and barely had any barriers to reach out and sit down with them, Business Controller 7 lacked personal relationships with the key people and saw these relationships as almost a prerequisite for going the extra mile beyond what was expected, making his threshold extremely high.

To a certain degree, the one-day closing project as a means of changing the business controller's way of working seemed to favor those with a relationship to either the group or the few entities that had already embarked on the zero-reporting journey. It can always be argued that these business controllers possess personality traits linked with a proactive mindset, which we noted as something that seemed to hold true. However, it could also be argued that proactive mindsets are enabled through the relationships with the right people that can support and empower these new ideas, turning them into actual implementable praxis, whereas proactive mindsets that lack these relationships do not become empowered enough the break through their embeddedness in the current way of working.

> *I think from the start that it's a bit personal, that we have a relationship and we have been talking about it. We know each other and know each other's ways of working and so on. And I am in the same building. I think there are a multitude of aspects connected to this. [Business Controller 1] also happens to be Swedish, and we know each other.* – Business Controller 3

Although the "proactive individual" or "innovator" argument should not be dismissed as it undoubtedly plays a role, the importance of a network of relationships and having discussion partners that can help translate the vision or create the contradiction that turn into actions should not be ignored.

4.2.7. The shared service organizations; the mimetic messengers and spiders of the normative web?

During the same time as it was decided that GlobeInd's sales entities would receive a common ERP system, a decision was made to standardize the finance function by bringing many transactional accounting processes to SSOs. After a failed outsourcing attempt, GlobeInd rebuilt its inhouse SSOs in 2016, known as the finance hubs. The finance hubs are at the time of the study covering most of the sales entities and there are plans to connect even more entities to the shared services. Business Controller 4 exxplained that the main function of the SSOs is *"To free up that time for the controller so you really have the time to spend on other things."*. The hubs can from this point of view be looked at as enablers of the business orientation. From the group function's point of view, the VP Group Controller made it clear that the direction for the hubs is to bring standardization and efficiency throughout the finance function:

> *The more we can move in this direction [SSOs taking on more activities], the more we should streamline the controlling function in the entities. There should not be a lot of controllers. This is what I think. I think that there are too many controllers.*

While many business controllers were content with the standardization and support the SSOs offered, some also feared that knowledge over the process risked being lost as tasks were increasingly moved away from the local entity. The business controllers are still ultimately responsible for what the hub produces and as such were not willing to leave work unchecked. This is a dilemma where the business controller's old role of having the control over the reporting and bookkeeping is still prevalent even if all the practical execution has moved beyond the scope of the controller. The business controller is encouraged to focus on proactive business support and leave the manual transactional work to the SSO, yet, if something goes wrong at the SSO, the business controller is made responsible for the failure. This lingering duality of the business controller's role could be argued to partially impede controllers in completely embracing new roles they are being subjected to. Business Controller 9 gave a revelatory statement that illustrated the sometimes-challenging relationship he has with his SSO:

> *You do not really have a grip on it [the tasks sent to the SSOs] anymore but you still have to monitor and follow up and try to influence and say how you want to have it. Again, the business controller is still responsible even if it is done by an external or a third-party team. You are still responsible! This is sometimes quite a challenge…*

The push for entities to accept support from the SSOs as a step towards standardization and efficiency could in some instances even be characterized as relatively aggressive. Business Controller 10, who is the controller for a distribution entity not yet covered by a hub, explained his experience when asked to outsource one of his processes to the hub:

They asked me if I wanted this part [a specific process] going into the [SSO] and I said no, because it is very small, and we do it here in half an hour. In the end they did not ask me anymore and just put it into [the SSO] and now we are spending one hour on this. More than one hour trying to figure it out… So, it is not always a success to bring things to a shared service.

The quote by Business Controller 10 shows how the group function, BAs and divisions are, when deemed necessary, driving standardization through coercive pressures. Although the entities have some say in what services to bring to the SSOs, they are at the same time strongly pushed towards more collaboration with the SSOs and consequently reducing what they do locally. Even though the experience Business Controller 10 had could be characterized as somewhat of an extreme case, the interviewed business controllers recognized that, for better or worse, they are going to have to rely on the SSOs increasingly moving forward.

Even though efficiency and cost savings are without a doubt reasons for increasingly moving routinized tasks from the local finance functions to the SSOs, we could see them taking on a role beyond that. Through hiring more competent employees and building "centers of excellence" around digitalization, several controllers pointed out that the SSOs are now actually beginning to suggest ideas for process improvements. The group function sees the SSOs as a crucial part in guaranteeing the success of the zero-reporting initiative and most of the business controllers agree that a big reason for them moving towards faster closing has been because of their close collaboration with shared services. The VP Group Controller explained that the vision for one of the SSOs is that every entity that is serviced by them should achieve one day closing by the end of the current year.

As being serviced by an SSO forces the finance function to go through their processes before handover, it is a way to engage the business controllers in searching for new ways to work on the processes more efficiently. Furthermore, the SSOs seemed to possess something that neither the group function nor the BAs do: An inside look into how each entity they service function day-to-day on a micro level. Their intimate knowledge and continuous discourse with each serviced entity equips the SSOs with the ability to see what the entities that are successful in e.g. the one-day closing are doing right and can convey this throughout GlobeInd to all serviced entities.

> *We already got an entity on this [engaged in one-day closing] one year ago, or even two years ago. Then, we started within [the SSO] to see how we can apply it to other entities. "What needs to be done?" Because if it is possible for one entity, why would it not be possible for the other one?* – General Manager SSO

The SSOs seemed to become the discourse provider, discussion partner and sense maker of the zero-reporting initiative to the entities that lacked the direct relationship with best practice entities or the group function.

> *We try to involve them [the entities] in the process. Show them what could be done through the other entity where we implemented it [one day closing]. We ask them to participate in meetings so that we can show them what has been working. Through these meetings, we really try to show them the challenges and benefits, and there are benefits. Nobody wants to work four hours extra during the closing or come back during a weekend. Then, if we can achieve the same quality, the same accuracy with less time, and finally with less work, it is a benefit for everybody. It is not so difficult to convince them. What is more difficult is to engage the change management needed within this process.* – General Manager SSO

We argue that the SSOs act as the mimetic messengers of the best practice cases where they gather everything that is needed for one-day closing to succeed and convey it to other entities within their service realm. They do not only awaken contradictions through spreading the awareness of one-day closing but also act as a translator where they show how the new ways of working can be adapted to the entity contemplating how to turn their contradiction into praxis. In this way they become the spider that slowly creates a normative web throughout their serviced entities where the one-day closing, and other milestones become the standard to work towards for the business controllers. Through gathering data on their entities, the SSO can mold an unified image of what the zero-reporting initiative means and effectively spread it.

It is interesting to note that through the SSO all of the institutional pressures seem to be applied in different points in time in order to ignite contradictions that move the MAs from an embedded state to an active one. Coercive pressures were used through forced standardization, where some tasks were moved away to the SSO despite protest. Mimetic pressures were applied through spreading the word and translating the processes in other entities to be applicable for the next one. Normative pressures were utilized to create a web that connected all the entities striving towards zero-reporting to a unified front that the SSO could make visible as the spider in that web. As the SSOs are increasingly becoming a part of each entity, so is the zero-reporting and the new ways of doing things as well, since the SSOs are one of the main elements in the zero-reporting initiative.

5. Discussion and Conclusion

In this section we tie our analysis from the previous section to the existing body of literature. In section *5.1* we elaborate on our results from the analysis. In section *5.2* we look at the contributions to the existing research and suggest avenues for further research within the area. In section *5.3* we offer our concluding remarks and address potential limitations for the paper.

5.1. Elaboration of analysis

We constructed a framework where the structural mimetic, normative and coercive pressures (DiMaggio & Powell, 1983) were moved to the active agency realm through diffusion theory (Rogers, 2003). Applying this framework to our empirical analysis in the case company suggests that contradictions are developed over time with increased motivation for change and decreased individual and institutional barriers. When the barriers are high, they inhibit the MA to break free from the already established pattern of action. A table of factors that we could see as either motivating or impeding change is given below.

Motivation	Institutional Barriers	Individual Barriers
Appeal to aspired identity	System limitations	Threshold for conversation engagement high
Competitive Instinct	Local requirements	Absence of relationships with key people
Peer pressure	Information asymmetry	Lack of comprehension
Attention from superiors	Role responsibilities	Personal resistance to change
Formal demands		Mismatch with aspired identity
Personal drive		Lack of influence

Table 2 Motivation and barriers for change

The table is not exhaustive but represents a collection of our main findings throughout the case study. We recognize that there can be many other factors, both on the micro and macro level, that are not included here. We also note that it is difficult to draw a line on whether barriers exist due to institutional or individual reasons and the examples provided in the table were found to often be intertwined and acting in conjunction with each other rather than in isolation. As an example, information asymmetry is closely linked with lack of comprehension in relation to the case examined.

To elaborate on how embedded agents initiate and mobilize change to the finance function in a decentralized organizational setting, we have created a model that shows the agents' journeys from passive to active and how motivation and barriers work to increase contradictions over time.

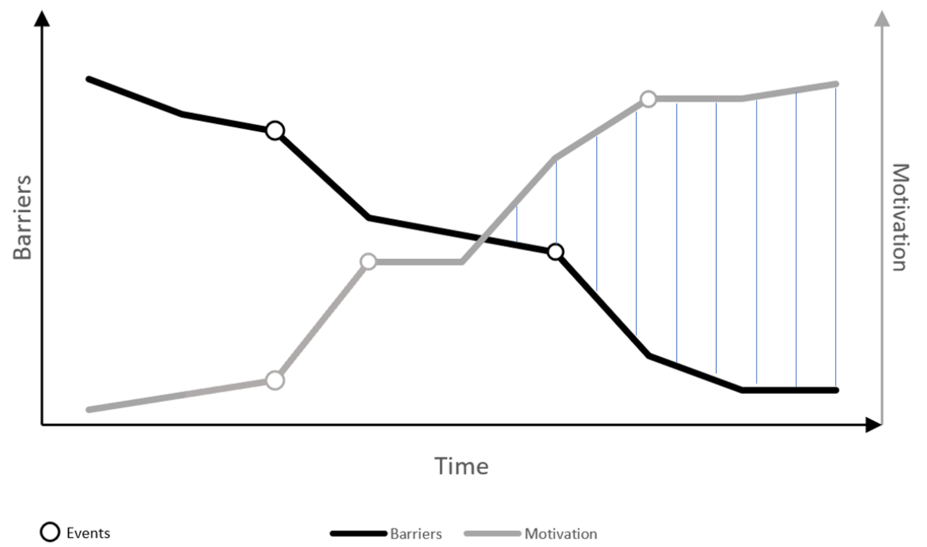

Figure 5 The MAs journey to action

We have depicted the individual management accountant's journey to action in figure 5. Even though we can see that the MAs in our case are continuously developing their role identity, certain points in time seem to trigger more active redefinition of the way of working (i.e. identity work). Quite intuitively, we argue that when the motivation for change exceeds the preventative barriers, an actor would be inclined to change the established ways of working (shown as the intercept between the two lines). We see that certain events, such as reducing lack of comprehension through discussion with others, or being asked or forced by superiors, are more influential as they work to increase motivation or reduce barriers for change. Thus, neither the development of reducing barriers nor increasing motivation is seen as a linear event (depicted as the jagged line in the figure).

Although we recognize identity work and questioning ways of working as highly individual events, we could see that other actors embedded in the organization could, through applying pressures, increase motivation and/or reduce barriers that could trigger events for a specific individual. For initiating change we found that, in the decentralized finance function where the authoritative power is limited, mimetic pressures through role-modeling was powerful as it could both (1) increase motivation through competition and appealing to the individual's aspired identity, and (2) reduce barriers by providing comprehension through interpretation and translation in relation to the individual and the institutional environment.

The analysis also shows that both motivation and barriers vary between individuals in the organization. We believe that these differences explain why individual actors are prone to change at different points in time (see figure 6). To exemplify from our case, we could see that the initial change agent experienced an event that put up extreme formal demands, significantly increasing motivation for change (although forced), thus compensating for some of the institutional barriers still in place. It is however not certain that another actor would have had the same outcome, as this change agent both lacked many of the individual barriers experienced by others and had personal drive for improvement and change. Our analysis implies that the differences between when individuals act are partly an effect from the decentralized setting, where processes are developed locally and communication with other management accountants is often limited.

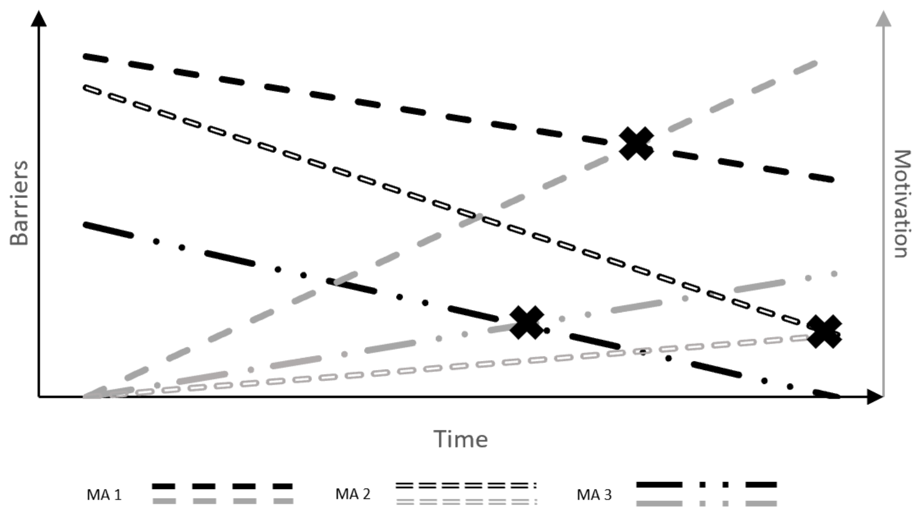

Figure 6 MA's different thresholds for change

Through our findings, we contend that mobilization of management accountants for collective change requires that every individual engages in their own identity work. As our empirical material does not extend beyond this point, we will use our findings to suggest a potential further extrapolation related to implications for collective change:

We argued in the section above that individuals face different thresholds for the intercepts of their motivation and barriers and therefore act at different points in time. However, we also note that the institutionalization of the professional role and being a part of the same organization entails that the institutional barriers and motivations are similar for actors on a multitude of levels (such as role descriptions, access to formal information, being affected by peer pressure, and formal demands). Extrapolating our findings, we thus suggest that on a collective level, most actors are likely to engage in change efforts around the same time, as the contradictions related to on the institutional barriers and motivation are developed at the same time. Any differences in timing would thus be attributed to individual motivations and barriers. If we step back and look at the entirety of the organization rather than at the individual, this would imply a general development curve for change similar to that of the diffusion curve (see figure 7).

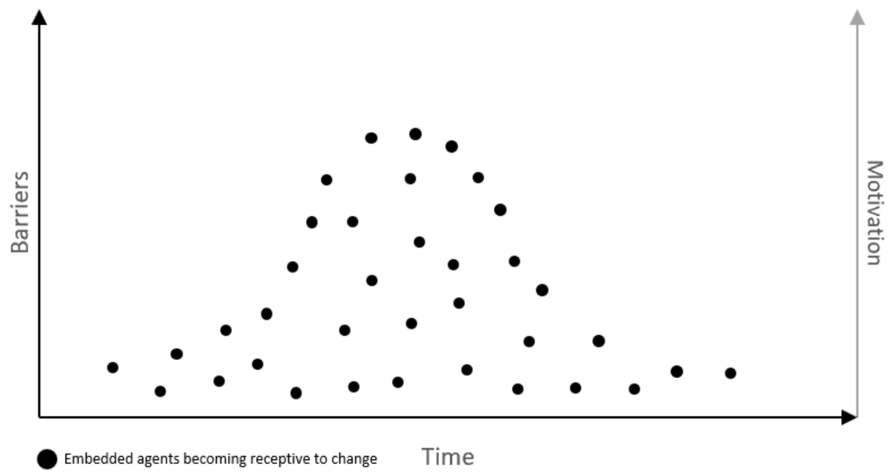

Figure 7 Collective change pattern

5.2. Relating our case to the existing domain

Turning our case study towards the previous literature, we believe that this paper can bring new nuances to *four* particular areas within the existing domain:

The *first* area in the literature we contribute to is on role change of the management accountants and embedded agency. Because our case company exists in a setting where no clear individual or plan was in place to steer how to the MA-changing initiative was going to spread, our findings are showing a more chaotic picture of the development of the role compared to previous literature. In the cases with strong authoritative leaders, the new role was guided so that it evolved in a certain direction with boundaries put on the interpretations available (Burns & Baldvinsdottir, 2005; Goretzki et al., 2013). In our case, the zero-reporting initiative and what that meant for the MA's role was evolving and spreading more freely due to the decentralized setting. This meant that there were a lot of different interpretations regarding how e.g. the one-day closing milestone was going to be achieved. Due to the decentralized setting the coordination of the initiative was also largely at the discretion of each BA which meant that when moving out to the entities, the level of available knowledge on what was expected varied a lot.

In contrast with the previously referenced research, where strong leaders could from the start inspire and direct identity work and change through microprocesses, our study indicates that it is possible without direction and inspiration as well. The first MA to engage in new ways of closing was able to face the needed contradiction through a struggle for survival that forced her to engage in identity work. A new way of working emerged from a place of overwhelming workload and stress rather than inspiration and direction from peers and superiors. The new way of working was unintentionally discovered, and the initial best practice was developed as a coincidence where an informal discussion happened to lead to the one-day closing initiative. This finding differs from Goretzki et al. (2013) who suggest that new roles emerge as a product of purposive action. Thus, we suggest that role change can rise also as an unintentional consequence of certain events. This supports the view of Alvesson and Willmott (2002) on identity work becoming more concentrated when exposed to strain and surprise. We however remind the readers, that this was only the case with the first best practice and that the consequent spreading of the new ways of working seemed to be more purposeful.

The *second* area we believe we can contribute to is the importance of the concept of cultural interventions (Järvenpää, 2007). Similar to Järvenpää's observations, we also noted that an array of interventions was used to alter the MA perception on their approach to financial reporting. Role modelling, success stories and conveying collective action were all interventions we saw used in our case company and are the same Järvenpää identified in his study. Järvenpää's study focused on how these interventions could lead to increasing business orientation. As our study found the same interventions applicable for other MA change, one could draw a more generalized conclusion that these interventions are crucial not only for business orientation but for other role change journeys as well.

Exploring the research need for embedded agency without strong heroic actors (Garud et al., 2007; Hwang & Colyvas, 2011), we showcased that a decentralized organization utilizes more implicit tactics where creating a sense of competition through showcasing best practice individuals is paramount. In contrast with Järvenpää (2007), who placed equal importance on formal and informal cultural interventions, we saw more focus being placed on the informal interventions as a means to develop contradictions. We believe that the organizational structure has played a role in the interventions being balanced differently. An avenue of future research could thus be a comparative study on how contradictions are developed through cultural interventions depending on the organizational structure. This could bring implications on whether agents within different organizational cultures are receptive to interventions in different ways depending on the construct they are embedded in.

The *third* area we wish to discuss is the role of SSOs in management accounting change. Our findings support Hebert and Seal (2012; 2013) in that the opportunity of standardization and centralization of manual tasks to the SSO enable MAs to take on a more proactive and business oriented role. However, we found the SSO role to be more diversified than what they contend in their papers, where they state that the SSO role will likely move increasingly towards that of a factory-like producer of "commodity" services. We saw that the SSO played a crucial role in the initiation and mobilization of change where they acted as discourse provider and sense maker of the changing environment. The SSO was one of the key translators of what the new role would entail for the MA and helped the MAs define and identify how they could take the next step in their finance function.

These findings would suggest that the role of the SSOs are, in addition to providing their traditional support, increasingly evolving towards becoming a link in an organizations network that connects the different corners of the organization together in an otherwise detached setting. This dual role of the SSO in our case study was unexpected and would warrant further research in the evolution of the SSOs now that they have become an established and integrated part of many multinational organizations.

Our *final* contribution is made to the management accountant and the business partner role. Where previous studies have argued that management accountants' aspired identities as business partners have acted as strong contradictions in triggering change efforts (Abrahamsson et al., 2011; Morales & Lambert, 2013), our study shows varying outcomes. Although the case analysis shows that these aspirations provide motivation for change through for example reducing reporting, it also shows how management accountants were unwilling to get to this point when the road to getting there was not in line with their aspirations. Having to act out process work and continuous follow up was sometimes seen as keeping the perceived business partner from participating in operations. Those engaging in change had the ability to comprehend how the changes would lead to business benefits, and the system knowledge to translate these benefits to their environment. With increased digitalization, our results thus suggest a development of the management accountant role to becoming more knowledgeable about technology and system savvy. We thus suggest further research on the development of the MA role as technology progresses.

Further, our study could not confirm that those acting out a business partner role would be likely to engage in collective identity work (Horton & Wanderley, 2018). We suggest that the differences between the studies can lie in the type of organizations the studies build on. Horton and Wanderley contend that their paper is built mainly from research on authoritative figures and connects the business partner role with job discretion. Our findings support that job discretion is important for influencing others, but in our case in a large multinational organization, we see that there are many interdependencies that can turn management accountants passive, as influence is mainly restricted to the own entity.

We saw that one particularly strong factor to influence change was relationships and having access to networks, as these could help to comprehend and translate aspirations to the own environment. In the decentralized global setting, where change efforts are not directed by powerful elites, we suggest that discussion partners for comprehension becomes of great importance. The findings suggest further research on changes to the finance function where a multitude of hierarchical levels are studied in the large organization to further explore discussion as a means of carrying out collective change. Further, the findings also have implications for practitioners, showing the importance of information and inclusion, affirming the saying "*knowledge is power*".

5.3. Conclusion

In this study we set out to explore *how embedded agents initiate and mobilize change to the finance function in a decentralized organizational setting*. To do so, we have drawn upon institutional theory and the emergence of contradictions as activating change in the professional identity of actors (Seo & Creed, 2002). Through applying a framework that combined Powell and DiMaggio's (1983) ideas on isomorphic pressures with Rogers' (2003) take on diffusion theory, we analyzed a case in the multinational industrial firm GlobeInd, where an initiative around the discourse of digital finance, referenced as "zero-reporting", implied new ways of working for the management accountant.

Complementing previous studies on institutional change to the management accountant's role (Burns & Baldvinsdottir, 2005; Goretzki et al., 2013; Horton & Wanderley, 2018) the paper suggest that contradictions are developed over time with increased motivation for change and decreased individual and institutional barriers. We argued that change is the outcome of identity work of agents embedded in the organization, and that this identity work can be influenced and triggered by actors. By applying arguments on actor focused change in a decentralized setting, which is the setting of many finance functions today, our research adds to previous findings in several ways. Firstly, it shows how change can be initiated and mobilized with limited authority and heroic leadership. Secondly, it implies that informal interventions are powerful tools for raising contradictions in a decentralized setting. Third, we show that the SSOs play a much broader role in MA change than previously contended, not only allowing for business orientation through overtaking manual tasks, but also acting as the main translator and link between actors in the decentralized organization. Lastly, we contribute to knowledge of the MA as a business partner, and the importance of relationships for influence in a decentralized setting.

The contributions from the study should be seen in the light of its limitations. The primary limitation that we recognize is related to time, where the interviews for examining the case are all done during a short period of time of a few months and were few follow up interviews have taken place. Even though questions have been formed around the past, present and future, this leads to that the individual journey for change is described often as a rationalization of either what has been or what is believed to come. We believe that a longitudinal case study, following how the individuals and their views are the developed over time, would have been a better fit for our research question. Further, as we through the case see that interpretations differ about the management accounting role, observation of actual practice would have allowed for the researchers to better understand the fit between aspirations and praxis. We thus suggest more in-depth longitudinal studies that follow individual management accountants over a longer period of time to see how their aspirations and actions change with a project.

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