

ROLE CONFLICTS OF MANAGEMENT
ACCOUNTANTS IN THE CONTEXT OF THEIR
STRUCTURAL RELATIONSHIP TO PRODUCTION

MASTER OF PHILOSOPHY THESIS - JUNE 1978

TREVOR MARTIN HOPPER
Faculty of Management
The University of Aston in Birmingham

28 MAR 1979

233131

658.151

HOP

ROLE CONFLICTS OF MANAGEMENT ACCOUNTANTS
IN THE CONTEXT OF THEIR STRUCTURAL
RELATIONSHIP TO PRODUCTION

TREVOR MARTIN HOPPER
MASTER OF PHILOSOPHY THESIS - JUNE 1978

After tracing the development of accountancy and behavioural accounting research it was postulated that accountancy serves various, and sometimes conflicting, clients and ends. This formed a basis for a contingencies model of management accountancy, which emphasised the effect of organisational and environmental factors upon accountants' roles, their structural relationships, and the management accountancy control system.

The research concentrated on the first two factors. It was hypothesised that the structural relationship of the management accountant, i.e. decentralised or centralised, would be associated with conflicts regarding his role, his interpersonal relationships with others, managers' perceptions of his influence and managers' study and evaluation of accountancy data.

The research involved semi-structured interviews with accountants and managers in six large manufacturing organisations.

It was discovered that subjects tended to hold service expectations for the management accountants' role. Decentralised managers perceived lower role conflicts, possibly due to their greater influence on the mode of accountancy provision. Managers' service expectations were often not met, whatever the structure. Conflicts regarding accountants' attributes and interpersonal relationships rarely presented problems, except where accountants were perceived as unwilling or unable to partake in general management.

Most accountants sought a service role, but some were frustrated, perhaps due to the high specification of their book-keeping activities, their inability to control their workpace, and their accountancy technical system. A minority sought and played a book-keeping role, possibly due to their role-derived satisfactions and desired career progression.

Decentralised managers studied accountancy reports more than their centralised counterparts and evaluated them more highly. This was perhaps due to the formers' greater influence over the accounting process. Influence variables had a pervasive association with other variables, which suggested tentative support for some of the claimed benefits of participation.

KEY WORDS ROLE OF ACCOUNTANTS AND STRUCTURE

ACKNOWLEDGEMENTS

The writer carried out this research whilst registered as a part-time student in the Faculty of Management at the University of Aston. Progress was fairly slow. A consequence of this was that the student outlived, in terms of academic life at Aston, his first supervisor, Mr. R.H. Hinings. The author would like however to express his gratitude to Mr. Hinings for the encouragement and guidance he gave during the early stages of this project.

On leaving Aston Mr. Hinings bequeathed the writer to the supervision of Dr. J. Child, the then newly appointed Professor of Organisational Behaviour at Aston. Dr. Child has been an unfailing source of sound academic advice. In addition the researcher would like to thank him for the vital practical support he has provided, without which the research may not have been completed.

The researcher has also benefited from discussions he has had with other members of staff from the Faculty of Management at the University of Aston, and with work colleagues at Wolverhampton Polytechnic. Whilst too numerous to mention individually they have been major sources of intellectual and practical guidance.

The success of empirical research is dependant upon having suitable research sites and subjects. The writer would like to express his gratitude to the co-operating companies for the facilities provided to him and to their managers for being such helpful and interested subjects. Unfortunately they cannot be named, for to do so would risk their promised anonymity.

Finally Mrs Anne Hickman and Miss Brenda Cartwright must be thanked for their cheerful endeavour in typing this thesis and praised for their skill in deciphering the hieroglyphics of my hand-writing.

CONTENTS

	<u>Page</u>
LIST OF FIGURES	(vi)
LIST OF TABLES	(vii)
 <u>CHAPTER</u>	
1 DEVELOPMENT OF THE ACCOUNTANCY PROFESSION	1
2 BEHAVIOURAL RESEARCH IN ACCOUNTING METHODS	14
3 THE ORIENTATIONS AND ROLE OF THE MANAGEMENT ACCOUNTANT	29
4 THE STRUCTURE OF THE ACCOUNTANCY DEPARTMENT	41
5 CONCLUSIONS AND THE RESEARCH HYPOTHESES	48
6 THE RESEARCH METHODOLOGY	65
7 THE ACTIVITIES INVOLVED IN THE ROLE OF THE MANAGEMENT ACCOUNTANT	93
8 THE ROLE OF MANAGEMENT ACCOUNTANTS - EXPECTATIONS OF ROLE SENDERS	97
9 THE MANAGEMENT ACCOUNTANTS AND THEIR ROLE	126
10 THE REACTIONS OF NON-ACCOUNTING MANAGERS TO THE STRUCTURAL RELATIONSHIP OF THE MANAGEMENT ACCOUNTANT	146
11 THE FULLY CENTRALISED ORGANISATION - ROLE SENDERS' REACTIONS TO HIERARCHICAL CHANGES ...	183

CONTENTS

	<u>Page</u>
<u>CHAPTER</u>	
12 THE MANAGEMENT ACCOUNTANTS AND THEIR REACTION TO STRUCTURE	198
13 ASSOCIATION BETWEEN VARIABLES OTHER THAN STRUCTURAL ONES.....	211
14 CONCLUSIONS AND IMPLICATIONS	223
 <u>APPENDIX</u>	
A QUESTIONS TO EACH FOCAL ROLE AND RESPONSES ..	255
B QUESTIONS TO EACH ROLE SENDER AND THE SCALED RESPONSES	275
C DETAILS OF THE OCCUPATIONS OF ROLE SENDERS FOR EACH FOCAL ROLE	294
REFERENCES	295

LIST OF FIGURES

<u>FIGURE</u>	<u>TITLE</u>	<u>Page</u>
1	Influences on the Management Accounting Structure and Processes	51
2	Determinants of the Management Accountants' Role Conception	56
3	The Role of the Management Accountant in the Context of Structural Relationships ...	59

LIST OF TABLES

<u>TABLE</u>	<u>TITLE</u>	<u>PAGE</u>
1	Numbers of Accountants Qualifying in the British Isles	7
2	Occupations of Professionally Qualified Accountants Working in Great Britain and Ireland at end of 1972	8
3	Details of Focal Positions and Their Organisations	90
4	Numbers and Occupations of Role Senders ..	91
5	Common Activities in the Roles of Management Accountants	94
6	Importance Attached to the Activities of the Accountant	105
7	Role Conflict-Time: Role Senders' Desired Changes in the Focal Roles' Allocation of Time to Each Activity	107
8	Mean Scores for the Extent of Change Desired in the Manner of Performing Each Activity	109
9	Analysis of Non-Role Data for Role Senders in Varying Structural Relation- ships with their Management Accountant ...	149
10	Analysis of Role Conflict Data for Role Senders in Varying Structural Relation- ships with their Management Accountant ...	150
11	Comparative Responses of Role Senders Before and After Changes in Hierarchical Structure	188
12	Comparative Responses of Role Senders Before and After Changes in Hierarchical Structure	189

LIST OF TABLES

<u>TABLE</u>	<u>TITLE</u>	<u>PAGE</u>
13	Divergencies Between the Role Senders' Desired Changes in the Manner of Behaviour by their Accountant in Each Activity and the Perception of the Accountant (Focal Role) of these Changes, Under Differing Structural Relationships	205
14	Tests of Association Between Variables	213 and 214

CHAPTER ONE

DEVELOPMENT OF THE ACCOUNTANCY PROFESSION

The Industrial Revolution and Before¹

The earliest use of accountancy arose out of the need to maintain detailed and concise records of estates. Initial developments for such purposes can be traced back to Babylonian and Assyrian civilisations.

Prior to the Industrial Revolution accounting in Britain had developed along three major routes. The master and steward system of managing landed estates had produced a system of double entry book-keeping which provided detailed records, helped prevent embezzlement and, by comparing incomes and outgoings, enabled a general view of the financial position to be taken.

The merchants also developed a system of double entry book-keeping which served similar purposes and, in the case of money lenders, provided records which might stand up in a court of law.

Finally, simpler schemes were developed by manufacturers operating the 'putting-out' system.

Of these three sources of accounting theory and practice it was the first two which were the most important to the industrialists of the Industrial Revolution, as they provided a documented and developed body of accountancy knowledge with qualified practitioners.

It was this knowledge that formed the basis of accounts kept by businesses during the Industrial Revolution. The accountants were usually recruited from merchant enterprises. The accounts continued to serve similar functions as before. The use of accounting as an aid to managerial decision-making was slight, due partly to a lack of need on the part of the entrepreneur, (profits were frequently high and innovation was his major priority). Had a desire existed for more meaningful information, then they would have found the state of theory insufficiently developed to provide a means of calculating costs and profits e.g. the treatment of overheads, the failure to distinguish between capital and revenue.

Thus from the beginning of industrialisation accounting theory and accountants were rooted in historical record keeping, rather than decision-making.

1840 to 1918 - The Birth and Development of the Institutes²

The laissez-faire and entrepreneurial economy of the Industrial Revolution began its slow transformation into the more regulated and concentrated corporate economy of today. The accompanying changes brought an increasing demand for accountancy services.

In 1842 income tax was restored and has remained since. The levy of this tax required detailed records and computations of income. The subsequent increases in

the size and scope of taxation has required increasing use of accounting services.

The Companies Acts of 1844, 1847, 1855 and 1862 extended the possibility of limited liability to nearly all forms of enterprise. The 1862 Act was rightly called 'The Accountants Friend'. The new and larger corporations, with multi-ownership and, a separation of ownership and management necessitated auditors, properly kept accounts, and their publication to owners.

It was evident that the nature of business was changing. The previously bouyant conditions were being replaced by a more competitive but less innovative environment. Success and failure of business brought rewards to the accountant. The successful companies required accurate records to assess liquidity and profitability. As such companies increased in size the growing number of transactions and the increased difficulty in maintaining personal control reinforced this need. The failures brought pickings for the accountant arising out of liquidations and bankruptcies.

The growth of accounting personnel and the demand for their services was reflected in the creation, growth, multiplication and mergers of societies of accountants. The first organised professional accounting body in Britain was the Edinburgh Institute of Accountants formed in 1853 which was granted a charter the following year.

The first society of accountants in England was the Liverpool Society of Accountants formed in 1870. This Society and others merged to form the Institute of Chartered Accountants (I.C.A.) in England and Wales. The Institute was granted a charter in 1880.

The I.C.A. became and remains the largest and most influential accounting body. However since its formation other accounting bodies have continued to be created with varying successes. The most important of those created in the nineteenth century were the Society of Incorporated Accountants and Auditors, and the Institute of Municipal Treasurers and Accountants. Both were formed in 1885. The former body merged with the I.C.A. in 1957. The latter body exists today as the Chartered Institute of Public Finance and Accountancy (C.I.P.F.A.).

The I.C.A. held its first examinations to determine entry in 1882. The final consisted of six papers spread over three days and covered book-keeping and accounts, auditing, insolvency, company and mercantile law.³

Five years service under articles to a member in practice (or three years in the case of graduates) became a pre-requisite for membership as from a date five years (or three for graduates) after the grant of the Charter. This was to remain unchanged until 1963.³

The insistence on articles in practice is an important factor in understanding Chartered Accountants'

orientations. Until recently all members received their initial training and occupational socialisation in professional practice, which is traditionally concerned with auditing and book-keeping and to a lesser extent insolvency and trusteeship. The syllabuses of the qualifying examinations have continued to reflect the needs of the accountant in private practice.

1900 to 1977 - Specialisation and the Growth of Management Accounting

Developments in Private Practice⁴

The Companies Act of 1900 reinstated the need for and audit of Company accounts. Successive Companies Acts in 1929, 1948 and 1967 served to increase the powers of audit and required increasing amounts of published financial information. Not surprisingly this increased the volume of work for accountants in practice and industry's demand for accountants to install and maintain satisfactory record systems.

The stewardship role of accountants in practice remained, but was becoming no longer related only to the owner-manager, but was being widened to include shareholders and creditors. As industry increased its concentration further it was recognised that the ensuing separation of ownership and control in large companies necessitated safeguards for shareholders from unscrupulous management. Similarly the creditor needed information

about companies to help him assess creditworthiness, as limited liability increased his risk.

Audit work remained the mainstay of private practice. The increasing amount and complexity of taxation provided the accountants with large numbers of new clients. During the 1930's this replaced trusteeship and receivership as the second most important aspect of the accountants' work. The arrangement of mergers, drawing up of prospectuses, valuing shares, obtaining loans and assisting in reconstruction and moratorium schemes were all areas of increasing work for the accountant in practice. More recently management consultancy has been of growing importance. Throughout the period practices have tended to become specialised in the type of client and/or services they provide.

The creation and merging of new societies continued. In 1939 several societies formed since 1891 merged to form the Association of Certified and Corporate Accountants. They are presently called the Association of Certified Accountants (A.C.A.). The success of the A.C.A. has partly been due to it allowing the necessary qualifying experience for membership to be gained in industry, commerce and public service as well as in private practice. It has also been more willing to reflect the needs of accountants employed by industry in its examinations e.g. in recognising costing and

economics as examinable subjects.

The I.C.A. and the A.C.A. have both increased membership steadily as have the other major accounting Institutes. The approximate growth rate for new entrants is about 4 per cent per annum which is approximately 5,300 persons. This increased intake is spread over the professions in the following manner.³

TABLE 1

Numbers of Accountants Qualifying in the British Isles

I.C.A.	2700
A.C.A.	825
I.C.M.A.	925
C.I.P.F.A.	450

Total for England and Wales	4900
Scottish Institute	250
Irish Institute	150

Average recent intake into the profession	5300

Reproduced from Solomons, D. and Berridge, T.M.,
Prospectus for a Profession, Advisory Board of Accountancy
Education, 1974, p.130.

In 1972 the above Institutes had an active home membership of 77,900. The majority of these qualified accountants are employed outside the profession, even in the case of the I.C.A. The major reason has been the increasing demand from industry and commerce for qualified accountants. This is indicated in Table 2 below.

If past trends are an indicator then this is likely to increase further in the future.

TABLE 2

Occupations of Professionally Qualified Accountants Working in Great Britain and Ireland at end of 1972

	ICAEW	ACCA	ICMA	CIPFA
	%	%	%	%
In public practice				
Sole practitioner	5.5	6.2	-	-
Partner	23.7	6.7	-	-
Employed	18.2	7.1		
	<hr/>	<hr/>		
	47.4	20.0		
Other Occupations				
Industry and distribution	38.1	52.8	79.5	0.4
Finance, insurance, etc.	9.0	7.4	7.0	0.1
Public administration and defence	1.3	8.3	3.3	96.7
Teaching	1.0	5.1	6.0	2.5
Other	3.2	6.4	4.2	0.3
	<hr/>	<hr/>	<hr/>	<hr/>
	100.0	100.0	100.0	100.0
	<hr/>	<hr/>	<hr/>	<hr/>

Reproduced from Solomon, D. & Berridge, T.M.,
Prospectus for a Profession. Advisory Board of Accountancy
Education, 1974, p.7.

Development of Management Accounting

The development of accounting is neatly encapsulated by Tricker,⁵ 'the origin of the accountancy profession recognised in England today is found in a morass of floundering business. The original Royal Charter ...places the role of liquidator, receiver and trustee in bankruptcy above that of auditor and does not mention management accounting.'

Whilst changes in the work and education of I.C.A. and A.C.A. accountants have taken place as has been indicated, the stewardship role has predominated, as has the concern with historical costs. The 'Costing Renaissance' referred to by Solomons⁶ was either ignored by the established accounting bodies or met with open hostility.⁷

During the last quarter of the nineteenth century a series of important developments in costing were made. Engineers and accountants employed by industry were increasingly needing product costs for decisions, particularly pricing. The increasing size and complexity of industrial organisations led to overheads being a larger proportion of total cost. A series of methods of apportioning overheads to prime cost were developed,⁶ which enabled more accurate unit costs to be ascertained.

Signs of an appreciation of marginalism were apparent,⁶ though it was not until the 1960's that incremental and related concepts of cost became an accepted part of the

theory and practice of management accounting.⁸ This was due partly to the separation of practitioners from the academic writings of neo-classical economists, and partly to the historical bias of most accountants.

In the first decade of the Twentieth Century major contributions were made to standard costing by an American engineer Harington Emerson and an Anglo-American accountant-engineer G. Charter Harrison. The first detailed description is accredited to an American John Whitmore in a lecture in 1908. Standard costing had a close connection with the 'scientific management' movement in America.

"...standard costs mean little without standard processes and standard operating times, such as F. W. Taylor and his followers developed. No one can read Taylor's famous paper on "Shop Management" of 1903 without seeing that many of the essential elements of standard costing are there, including what is probably the first reference to 'management by exception.'⁶

Britain was amongst the last of the developed nations to apply the new costing techniques.⁷ The major impetus came from the success of cost accountants in war industries during the First World War.

Having established the need for costing its practitioners established a professional body to develop scientific costing and to hold examinations and award qualifications. The Institute of Cost and Works Accountants

(now called the Institute of Cost and Management Accountants, (I.C.M.A.)) was established in 1919. The I.C.M.A. has flourished since its inception with most of its members employed in industrial accounting positions.

The initial concern of cost accountants, later to be called management accountants, was ascertaining costs. This was to develop in the 1920's and 1930's into the area of cost control, in particular budgetary control. Large-scale applications of budgetary control in business in the U.S.A. probably started in the 1930's, though examples of budgeting can be found in the earliest of business records. Its application in Europe was probably not common until the 1950's and later.

The application of budgetary control in industry stemmed from two major sources. Firstly it was seen as a logical extension of standard costing to the business as a whole. Secondly it was an adaptation of governmental budgetary principles to business.⁹ Paradoxically it was the slowness of the U.S.A. government to adopt budget principles (not accepted until 1921) and the resultant debate, that made American businessmen aware of the technique.

A further method of attempting cost control was the promotion of uniform costing schemes within industries to enable inter-firm comparisons of costs. The first such scheme in Britain was that adopted by the British Federation of Master Printers in 1909.

More recent developments have lain in providing information and techniques for management decision-making. The adoption by accountants of the break-even charts of engineers is one of the earliest such examples.⁸ In the 1950's Discounted Cash Flow started to become the accepted method of evaluating a return on capital projects. The slowness of accountants to utilise this concept first developed in economics is a reflection of the gulf which existed between the disciplines prior to the 1950's.

In more recent years the I.C.M.A. and its practitioners have been increasingly concerned with other decision-making techniques developed by management science and with management information systems arising out of the widespread adoption of computers.

Summary

The earliest accounting practitioners in industry aimed to provide a stewardship and historical recording role. The major professional Institutes have continued this tradition to the present day. Their members in practice have concentrated on stewardship work, namely audit and trusteeship. Taxation is also an important source of work. Despite increasing numbers of qualifands entering industrial employment, the qualifying process, particularly of the I.C.A., has been dominated by the needs of practising accountants. Particularly important in this respect was the need to serve articles in practice.

Management accounting was developed by engineers and industrial accountants seeking relevant information for decision-making. Many of the early techniques were inspired by the Scientific Management Movement. Development of methods has been slowed, partly due to a lack of knowledge of work in related disciplines, and partly by the dominating influence of historical recording systems.

CHAPTER TWO

BEHAVIOURAL RESEARCH IN ACCOUNTING METHODS

In the last twenty-five years the literature and research on behavioural aspects of accounting has developed at an increasing pace.^{1,2,3,4,5,6} It is not the aim of this thesis to fully review this work, but rather to pick out certain themes which lead to the research hypotheses.

Accounting Data for Decision-Making

The type of clients that accountants serve has widened. Initially their major clients were owners. As limited liability companies developed, accounting reports began to be directed at shareholders and possibly potential creditors. During the current century managers seeking information for decision-making have turned increasingly to accounting data. Today there are signs that employees e.g. information agreements in the Employment Protection Act, and society at large^{7,8} e.g. social audits, could become new clients.

The theoretical assumptions of accountancy and the form and content of accounting data have been modified to meet the needs of these new clients. The earliest clients needed information for stewardship rather than decision-making. In consequence the initial concentration was on recording historical transactions of a tangible

nature. This early bias has been maintained in current accounting and has affected developments in management accounting, which has been more concerned with the needs of managers. There are several reasons for this. Firstly the practitioners of management accounting were and are often drawn from accountants trained primarily in stewardship accounting rather than management accounting. Secondly, when setting up management accounting systems they usually had to draw their data from and possibly integrate it with the existing financial accounting system of the organisation.

The resulting management accounting data has led several writers to claim that its quality is such that it is of little use to managers, except for simple programmed decisions. For example, Katz and Kahn⁹ claim that accounting is concerned with the building of closed systems 'as cost control is a highly elaborated differentiated structure: They point out that the power of accountants is greatest in stable conditions. Similarly MacRae¹⁰ claims that accountants and their systems concentrate on minimising the cost of existing operations and preclude new ideas. This may be due to the fact that accounting information and controls are of little value under uncertainty,²⁴ as they generate information drawn largely from the past.^{11,12}

Further evidence of the closed and programmed nature of accounting come from criticisms that budgets fail to state or examine the basic assumptions and values upon

which they are built.^{13, 14} Thus, it is claimed, they prevent fundamental organisational goals being questioned and hence preclude change.

The insistence of accountants on recording only the tangible has led to accusations that they will only measure the easily measurable. Likert has been critical of accountants' failure to measure and record human assets. In addition he believes the accounting control system should measure changes in employee attitudes and job satisfaction. It is his belief that the financially orientated controls used at the present wrongly make 'System 1' managerial styles appear more profitable. He claims such controls only measure short-term results and fail to account for the longer run dissipation of human assets, caused by authoritarian styles of management.¹⁵

¹⁶ Lomax similarly accuses accountants of only providing information appertaining to the business's success in short-run profit maximisation. In addition he is concerned that accountants present figures with no attempt to assess the 'error' factors in measurement.

The amount of information provided by accounting systems has been queried. Some writers believe accountants give decision-makers too much information and that the information overload results in them being unable to identify the most important and relevant information. Their reaction is often not to use any of the information.^{17,18,3}

MacRae¹⁰ on the other hand claims that accountants give too little information, much of it being hoarded as a power

base for the accounting department.

Dalton¹⁹ may bridge the two viewpoints in his statement that there are 'too many irrelevant controls, but possibly not enough based on intimate knowledge of people and conditions, and kept up to date.'

The value of accounting information may be lessened by the inability of the recipients to understand its 'jargon'.²⁰ This may be fostered by accountants who use it as a device to protect themselves from criticism.²¹

If a 'traditional' or 'rational' view of decision making is taken²² i.e. the decision-maker seeks to maximise certain specified objectives by evaluating all possible alternatives, then it may be argued from the above that the information generated by many accounting systems may be deficient in several respects.

Firstly, the goals tend not to be stated in accounting reports. The explicit or implicit goals tend to be short-run profit maximisation. Consequently longer-run goals may be ignored, or be presented unfavourably by being merely represented as costs which serve to depress short-run profits.

Secondly the techniques and conventions of accountants for measuring costs and benefits may render their information inaccurate. Particularly important in this respect is their unwillingness to quantify intangibles. In addition their training and traditional methods of working may bias them into using historical information rather than evaluating future consequences of alternatives afresh. Finally their information rarely indicates 'error' factors or risk.

If, as is claimed above, accounting information is usually historical, short run, biased towards internal factors rather than external, and deficient in respect to intangibles, then it is more likely to be useful in programmed rather than non-programmed decision-making, where decision criteria are simpler and the decisions more routine in nature.²²

Programmed decision-making is more likely to predominate in organisations with a stable environment. Because of its deficiencies outlined above accounting information may well be of less use for decision-making in organisations operating in turbulent environments, particularly where human resources are a critical factor. It is probably not without significance that management accounting systems are most developed and possibly most effective in production departments, which are usually the departments in the organisation with the shortest time horizons, the most specific goals and the greatest amount of programmed decision-making.²³ In contrast it is probably least effective in research and development departments and advertising departments.

Accounting Information for Control

The above has been primarily concerned with the usefulness or otherwise of management accounting information for decisions where there is change and uncertainty.

It may be argued, however, that the major function of management accounting systems is not information provision

for non-programmed decisions, but in providing control. The word control has probably three major meanings, curbing or restraining, directing or commanding, and checking or verifying. Control in this thesis is taken in its last context, and is defined as: 'that phase of the managerial process which maintains organisation activity within allowable limits as measured from expectations. These expectations may be implicit or explicitly stated in terms of objectives, plans, procedures, or rules and regulations. Just as there is a hierarchy of plans on a continuum of comprehensiveness, there are comparable control procedures appropriate at different levels.'³⁴

Such a conception of control is concerned with channelling behaviour towards organisational objectives. The management accountant may perceive the major contribution of budgetary control and standard costing as providing control, rather than information for decision-making. Such a distinction may be conceptually useful, but in practice may not be recognised, as in determining the objectives and plans which provide the basis of yardsticks for control, major decisions are being made within the organisation. The accountant would be expected to provide a significant amount of information for such decisions. As indicated earlier though the process may be control-biased in that the major assumptions are often not queried or even stated. Often the planning stage is merely a reification of the past, in that last years results, plus or minus a few per cent are carried forward to the next period as objectives.

Hopwood¹ classifies controls in organisations into three main types, administrative, social and self. Administrative controls are the formal rules and standard procedures developed by the organisation to direct and constrain the behaviour of its members. 'Social' controls emerge from the shared values and the mutual commitments of members of a group to one another.¹ Administrative and social controls have to be internalised by members to act as personal controls over attitudes and behaviour. It is being increasingly recognised that if the controls are to be accepted by the individual then they must be related to his own needs and goals. If the organisational goals are not so accepted then they may be altered or ignored, or if adhered to, produce counter-productive hostility and anxiety.

Management accounting theory and practice has been increasingly accused of unduly concentrating on administrative control. In some cases this may be dysfunctional in that it fails to take account of social and self controls. In particular the process of budgeting has been criticised for its failure to take account of the need for participation and individual aspiration levels, when setting goals and the consequent bifurcation of interests between departments which can occur.²⁵ The vertical flows of communication have been queried, as has the use of budgets as performance measures and sources of motivation.

The role of participation in budgeting has received considerable attention, much of it inspired by the works of Neo-Human Relations writers such as Argyris,²⁵ McGregor²⁶

and Likert.^{27, 28} Some studies^{10,21,30} claim that budgets are often imposed on managers by accountants and/or superiors. Consequently the individual is unable to reconcile personal needs and goals with those of the organisation. The result is that often the budget is not accepted by individuals and groups and the resulting frustration results in increased labour turnover, group restrictions on output, apathy, and the manipulation and restriction of information.

The extent to which participation takes place in budgeting is not clear, due to differing concepts of what constitutes participation and at what level of the organisation the question is asked. Some survey studies^{31,32} indicate that participation in budgeting is widespread, especially at higher managerial levels. However more detailed studies such as that by Argyris²¹ claim that much of the participation may be 'pseudo-participation'. Hofstede³ found that participation in budget-setting increased with higher managerial levels and that the degree of participation was correlated with the motivation to work and favourable attitudes to the budget. However he found no such correlation when the standards were of a technical nature, and also that feelings of illegitimacy of the budget did not affect its felt relevance. The most important factor affecting a person's usage and felt-relevance of the budget information was the importance his superior attached to the budget and budget results. Rahim³³ reached similar conclusions.

Hofstede³ and others^{34,35} indicate the effect of

perceived difficulty of budget goals upon aspiration levels and subsequent performance of subjects. Broadly their conclusions are that challenging goals are the most effective. If they are raised to become perceived as impossible then performance drops. Goals which are perceived as easy fail to provide sufficient challenge. Such work is useful in illustrating the dangers of extremes in budgeting e.g. tight budgeting and the use of ideal standards, or slack budgets. Its practical application is limited due to the difficulties in continually measuring aspiration levels before setting goals. In addition the budget goal may only be a slight factor in determining motivation.

The assumption in budgeting that organisational goals are achieved by their sub-division to departments and that departmental effectiveness is measured by budget attainment is queried.^{8,21,30} Such a process may be dysfunctional in that it can lead to 'departmentalism' and 'goal displacement', particularly if the departments perceive themselves as being in competition for the allocation of internal resources.

Argyris²¹ criticises the hierarchical reporting systems used in accounting controls. He claims the cost accountants' role is one of fault-finding, his successes being someone else's failures. In order to publicise his success the accountant sends his findings up the accounting and thence down the line hierarchy, thus reinforcing his personal feelings of success and managers' feelings of failure. In addition he claims that budgets were being used as 'needlers' by superiors and as excuses for authoritarian management.

This increased further managers' antipathy and distrust of accountants.

In order to prevent such behaviour McGregor²³ comments that information on budget attainment should be limited in access to the particular accountant and the appropriate manager, control coming from self-control.

Decoster and Fertakis³⁷ found as expected that supervisors used budgets as pressure devices and the extent of this was correlated with the degree of structuring of activities of subordinates.

Budgets are often used as measures of performance evaluation. This can be dysfunctional in that the specified numerical goals used for evaluation are pursued, but vital unmeasured goals are ignored.^{38,39,40,41} The use of multiple goals may not relieve this problem. Without due weighting of goals then the more difficult ones may be neglected.³⁵ Budgets are essentially short-run and in order to receive good evaluations, beneficial long-run measures may be rejected due to their immediate costs and delayed benefits.^{12,40} In addition the use of simplistic measures may encourage the manipulation of the data by the measured⁴⁰ or make the controls being perceived as not legitimate and therefore to be ignored.^{40,41,42} If the measures are perceived as important, then the ensuing tension may be counter productive and produce informal group restrictions.

It is clear from several studies that budget information is often not valued highly by its recipients,^{33,43,44} consequently it is not examined or used. If used, it is often

used incorrectly.^{33,40}

Dew and Gee²⁰ in attempting to trace why budget information was not used gave the following reasons: the information was too late after the event to take action; the information was related to events outside the managers' control; it was insufficiently detailed to be of assistance; it was inaccurate; the managers could not understand it.

Conceptual Types of Accounting Controls

With regard to this thesis, it is not intended to directly evaluate the behavioural controversies surrounding accounting controls. The major relevance of this work to this thesis lies in the fact that there are conceptually varying approaches to the use of accounting controls, which might be placed on a continuum. At one extremity the controls provide supervisors with a means of closely determining and evaluating the performance of subordinates; participation in determining goals is slight; individual goals are a direct clarification of the sub-division of organisational goals; the reporting systems are hierarchical; goals are set by reference to ideal standards.

At the other extremity participation in determining goals is great; goals take account of individual needs, aspiration levels and the likelihood of their attainment; reporting systems are diffuse and used as a communications medium; the information is used for problem solving rather than performance evaluation.

The two approaches may be conflicting e.g.

'Senior managers are often presented with a potential dilemma. They usually want to make their subordinates aware of the relevant aspects and implications of accounting information, and yet they often realise that to use it as a basis for evaluating performance is potentially inequitable and may encourage defensive behaviour which is contrary to the longer term purposes of the organisation.'¹

The two conflicting approaches are recognised by Caplan when he contrasts the 'Assumptions about the Role of Management Accounting' in 'the Traditional Management Accounting Model of the Firm' with assumptions traced from 'Modern Organisation Theory'.²

Generally the writings and research tend to favour the use of the problem-solving style. It would seem to be associated with lower job related tension, less interpersonal conflict, greater job satisfaction, less manipulation of data, and a longer time perspective in decision-making.

These conclusions have their critics,^{45,53} who allege that the claims are not yet justified given the few studies to date and their lack of rigorous methodology.

Dismissal of the studies would however be harsh. Theoretically they have been inspired and underpinned by ideas from organisation theory, particularly neo-human relations work. The behavioural accounting results to date bear a similarity to comparative reviews of leadership styles and organisational structures.⁴⁶ In both instances

'participative' styles tend to be associated with higher subordinate satisfaction and effectiveness. The reviews' generalisations are however considerably qualified. The causality in the associations is disputed. Situational factors and characteristics of subordinates can be major modifying influences.^{47,48,49,} It has become clear that no overall generalisation covering the effectiveness of organisational forms or styles can be made, without reference to such moderating influences.

Much of the behavioural work in accounting has tended to be concerned with proving the effectiveness of participative and problem-solving information systems as opposed to the more hierarchical control systems concerned with performance specification and evaluation. However one cannot examine the accounting system in isolation from the organisation, in particular its structure, style of management, type of member, and the nature of decisions. Increasingly it is recognised that these will in part be determined by the type of production technology employed by the organisation, its size, its diversity of operations and the rate of change it faces in its environment.^{44,50,51}

Just as one cannot dismiss mechanistic theories of organisation one probably cannot reject traditional theories and practices of management accountancy. The form the management accounting system takes or should take may be dependant on features of the organisation and its environment e.g. the participative problem solving form may be more appropriate to organisations which because of high

rates of environmental change have 'organic' structures, whereas the more traditional management accounting would be expected to be more effective in 'mechanistic' organisations.

It is unfortunate that little of the behavioural accounting work has taken cognisance of the fact that different forms of control systems may serve different purposes depending on the major needs and problems confronting the organisation.

Summary

Management accounting data has been increasingly criticised for not providing suitable data for decision-making. Its historical base, concentration on the short-run, measurement only of tangibles, and concentration on internal factors may render it more suitable to programmed decision making.

Studies indicate that a large proportion of managers who receive management accounting information do not value it highly for decision-making.

Management accounting controls are criticised, mainly for their acceptance of Classical Management Principles in their design and operation. Such controls are probably aimed at channelling and evaluating performance. They are criticised for the failure to take account of social factors. The critics of traditional controls tend to be developing controls which are aimed primarily at providing information for problem solving.

Much of the debate on behavioural aspects of accounting information and controls has concerned itself with trying to prove the value of one approach as opposed to the other. However there may be no absolute answer. The most suitable form of accounting information and controls may vary according to the nature of decision-making in the organisation. This will vary from one organisation to another depending on their environment and type of production technology.

CHAPTER THREETHE ORIENTATIONS AND ROLE OF THE MANAGEMENT ACCOUNTANTThe Role of the Management Accountant and Surrounding
Conflict

Most of the work on behavioural aspects of accounting has concentrated on the processes connected with the control system. The research into the structure of accounting departments in relation to the organisation as a whole has been relatively slight. In addition there has been little research into the role of the management accountant.

In the previous section it was argued that management accounting control systems could be placed on a continuum. A major determinant of the continuum was the ends served by the control system, i.e. either problem solving or performance specification and evaluation. The role of the accountant may similarly vary according to such ends. If the control system is inclined to problem-solving then his major role will probably be one of service in maintaining adequate information systems and providing technical advice. At the other extreme the accountant may identify more with top management and concentrate on providing them with performance measures and checks.

It may be incorrect to assume that the accountant is neutral and value free in his preferences. The accountant due to his orientation and interpretation of self-interest may be a major determinant of the type of control system he offers and the role he plays.

There are no definitive studies of accountants' role in industry. The studies which exist suggest that the accountant is not perceived by other managers as being neutral. His role is often surrounded by conflict. This is often due to accountants attempting to exercise power through the manipulation and imposition of accounting systems in the direction of their bureaucratic orientations. Woodward,¹ for example found resentment of accountants by other managers because of their, "sanctioning and controlling" and "assuming responsibilities for ends thought not to be theirs".

Dalton² found little neutrality of accountants, claiming that, "staff combine with line factions in controls and budgets to get greater power", and that the "staff were more educated, fluent, talk in abstractions, more mobile and identify with the top" and were resented for such by the line. It is worth noting that in Dalton's study staff, including accountants, moved into line positions, suggesting that perceived career patterns may influence behaviour.

Argyris³ and McGregor⁴ both claim accountants are resented for their primitive and hierarchical controls, with Argyris claiming that there is "a wall between financial and production personnel" with accountants further resented for their continual fault finding. Accountants again resisted criticism by their verbal fluency and use of jargon.

MacAulay⁵ reports conflict between sales and finance

over contractual relations in selling, the accountants demanding greater attention be placed upon contractual details and settling disputes legally, as opposed to the salesmen's preference for informality. "As one businessman put it, 'You can settle any dispute if you keep the accountants out of it. They just do not understand the give and take needed in business'."

In his study of perceived power Perrow⁶ notes that the "enemies of finance are the most diffuse", it gets "the highest rating for having its power reduced; its middle and lower management gets the lowest power ratings; but it is only the second most criticized group." He goes on to note that "the real preoccupation of middle management is with finance" ... (it) perceives the power of finance to be greatest and the most needing in reduction of power."

He ascribes the conflict to the centralized structure of the finance departments and their "irrelevant and imprecise information".

Hinings et.al.,⁷ in their empirical study of their strategic contingencies theory of power, rate the power of the accounting department lowly. Despite its diffuseness it scored lowly on its ability to handle uncertainty, with low immediacy and easily substitutable.

Hofstede⁸ found little conflict between the line and accountants, with accountants taking a service or 'advisory' role.

Similarly Graves⁹ in interviews found little conflict, with accountants tending to view selves as neutral and advisors in budget preparation. Their success was judged by 'clarity of preparation the accuracy of prediction and the degree of acceptance of the budget by the line'. The line in turn most commonly claimed indifference to the budget and manipulation or 'arrangement' of results was commonplace.

Finally Stymne¹⁰ in his study of strain in communications found communications with accounting departments tended to be of low frequency and low strain; which he attributed to the accounting controls being perceived as legitimate.

Evidence on the role played by accountants is fragmentary and by no means unanimous. It was an aim of the research to try and garner more information on this aspect. The implicit conclusion from the research is that the accountant often attempts to adopt an active role in decision-making, mainly through the manipulation of the accounting system, rather than by direct confrontation. The power of the accountant and his bureaucratic values in decision-making are sources of conflict with other managers.

The reasons for the accountant adopting such a role may be due to his bureaucratic orientation engendered in training, the nature of his task, and his pursuit of power.

Orientations of Accountants

The few studies of accountants' orientations which exist suggest that the accountant usually corresponds to

Thompson's¹¹ 'bureaucratic' type and sometimes to the more extreme 'bureaupatic' type.

Child¹² in a comparative survey of managerial roles found that financial managers were amongst the functions with least mental flexibility, the most closed minds, and showed an unwillingness to take risks. They were placed in the most 'conservative' groups of managerial functions, particularly in regard to 'challenging of formal authority and procedures'. Along with other 'controllers' they tended towards one end of an extreme, with the 'innovative' managers e.g. marketing, R and D, at the other extreme.

Tricker¹³ accuses accountants of being over-cautious, unwilling to take risks, and too easily influenced by the measured and the measurable. He believes that such orientations render them unsuitable for strategic decision-making, as they tend to choose projects which 'minimise failure', and thus avoid potentially more profitable projects containing greater risk and uncertainty.

Clements¹⁴ too found in some accountants, 'differences of attitude which they (other managers) find it hard to reconcile their value in management is diminished by too narrow a view of the organization's activities as a whole.'

Tentative reinforcement comes from Kahn¹⁵ et. als.' study of role conflict in which two accountants along with other 'control type occupations' fell in the most rigid quartile whereas none fell into that of the most flexible.

The conservatism of accountants is probably not limited to industrial roles. For example Schick¹⁶ in a study of new state budgeting procedures in the U.S.A. concluded that their failure was due to the conservatism of the accountants and 'their adherence to old procedures which involved little planning but considerable scrutiny of expenses'.

If it is accepted that accountants tend towards a bureaucratic orientation, then the question why this is so must be examined. The literature suggests two major reasons, firstly the values inculcated during socialisation in accounting roles; secondly the accountants' pursuit of power and self-interest.

Tricker¹³ ascribes the accountants' orientations to values engendered in their training and early work experiences, which stress accuracy - 'searching for the missing shilling, work which involves little uncertainty and gives them little experience of other functions'.

A similar conclusion is reached by Clements,¹⁴ who ascribes their orientation to 'their highly specialised training. Their work too, it is said, involves entirely factual matters capable of yielding clear and precise answers after the application of well tried procedures; this incapacitates them from dealing effectively with management problems, which are hard to define, whose treatment can seldom be simple and whose consequences may be obscure'.

Such arguments may well be true. Many management accountants are trained in and recruited from clerical

functions associated with accounting procedures. These are usually contained within rather than without the accounting department. Departments tend to develop norms and values in relation to the nature of the work they deal with and the environment surrounding their function. This is recognised by Katz et. al.¹⁷

"People in the maintenance sub-system have the problem of maintaining the role system and preserving the character of the organisation through selection of appropriate personnel, indoctrinating and training them, devising checks for ensuring standard role performance, and so on. These people face inward in the organisation and are concerned with maintaining the status-quo. People in the procurement and disposal sub-systems, however, face outward on the world and develop a different psychological orientation."

In the previous sections dealing with the nature of accounting control systems it has been argued that traditionally they have been concerned with maintaining stability and have tended towards a closed view of organisations. Many of their assumptions are those of Classical Management Theory on which 'mechanistic' forms of organisation are based. If this is so then one would expect accounting departments to develop bureaucratic norms and values.

Thompson¹¹ draws attention to the fact that departments can vary in 'their perceptions of reality', and the variations are related to beliefs regarding the authority system, the status system and the system of person to person communication.'

Landsberger¹⁸ also traces departmental differences to their interpretation of reality and their subsequent stands taken on four basic organisational dilemmas; 'stability versus flexibility, long range versus short range considerations, diffuse versus specific costs and gains, and organisational goals versus other goals.'

He states, 'the fact that a certain department is inevitably linked to the same form of the dilemma is related to the definition of its function. The organisation needs each department to draw attention to its own particular case.'

This may be the case; for example Lawrence and Lorsch¹⁹ claim and recommend that departments organise in a form suitable to the environment with which they must deal. The major problem becomes the most suitable form of integration. However the behavioural writings discussed earlier suggest that there is no accepted universal definition of the function of the management accounting department. It may vary, or be in the process of changing to providing information for problem-solving rather than performance measurement.

The problem is neatly encapsulated in research by Sorenson.²⁰ In a study of industrial accountants in the U.S.A. he found that they tended towards task orientation rather than interpersonal orientations. The task orientation was greatest amongst those in lower positions. Interestingly it was the accountants who were task oriented that reported greatest career success. Accountants in higher positions reported lower job satisfaction, particularly where they were concerned with planning functions as opposed to accounting functions. Task orientation varied according to functions

performed, being highest in accounting and planning, and lowest in information services.

The above suggests that the lower accountancy positions necessitate and encourage task orientation and that this is maintained at higher positions within the accounting function. Other functions however, namely information provision, require or cause a change in orientation. The evidence regarding job satisfaction may indicate that many accountants have problems in dealing with the change of tasks brought by promotion, particularly coping with the uncertainty associated with planning. In addition there is cause for concern in that it may be the accounting personnel least equipped for coping with the new tasks that are promoted i.e. those with the greatest task orientation.

As indicated earlier, many qualified accountants employed in industry are trained and qualify outside industry in professional practice. It is possible that the values and skills which are learned are not the most suitable for many industrial accounting roles e.g. practice has always stressed the stewardship role and has concentrated on techniques of historical recording rather than information provision.

Hastings and Hinings²¹ in investigating this postulate found that Chartered Accountants in industry held the values of caution, exactitude, anti-theoretical pragmatism and professional exclusiveness to a lesser extent than their counterparts who remained within the profession. The values of rationality and quantification showed no significant differences. They noted that the differences were often

role-specific, e.g. where industrial accountants were more dependant on non-accountants, then they laid less stress on the value of caution. Where accountants were employed in industrial functions similar to those carried out in professional practice then the strains placed on the values of anti-theoretical pragmatism and exactitude were least.

This study suggests that chartered accountants entering industry have to significantly change their orientations, particularly where they are employed outside of a financial function. Unfortunately there is no comparative data with accountants trained within industrial organisations.

The orientations and behaviour of accountants in industry cannot be explained purely by the nature of their task and socialisation. As Burns²² points out "the hierarchic order of rank and power that prevails in (organisations) is at the same time a single control system and a career ladder. Members and groups compete for success in the organisation.... and self-interest is an important factor." There is no reason to assume that accountants are immune from any such process, especially as they are concerned with two of the three major aspects of internal economy which Zald²³ links to power within organisations - "The mechanisms and criteria for allocating resources and recording costs and information about performance adequacy" and " Incentive economies and their consequences."

He goes on to say, "..... the accounting-information and incentive systems might analytically be treated as part of the polity. The accounting-information system is

established by authoritative power centres and functions to provide authoritative information the choice of accounting rules is based on political-economic considerations, and that once in operation the accounting rules operate like a sloppy price system to guide the allocation of resources.

A similar point can be made about incentive economies. From the point of view of organisational elites, incentives, like other resources (capital expenditures), are allocated in terms of the elites' perceptions of organisation tasks and enhancement of their own values and performance."

The evidence examined earlier indicated that other managers often perceive accountants as not being neutral in their use and manipulation of the accounting control system. It has been also argued previously that accountants tend towards bureaucratic orientations and that their techniques may be most effective in such a type of organisation. Given this then the power and career prospects of the typical accountant may well be greater in a 'mechanistic' form of organisation. It could be that consciously or unconsciously his actions may be directed towards such an end.

Summary

There is little direct work on the role of the management accountant. That which there is suggests that it provokes conflict with other managers due to the accountants' exercise of power through manipulation of the accounting system and tendency to report faults up the hierarchy.

Conceptually the role may vary from one primarily concerned with service to other managers to one which supplies higher management with performance controls. The evidence suggests that the latter predominates, partly due to the accountants' bureaucratic and stewardship orientations. Such orientations are partly a result of the nature of the work performed by accountants and his socialisation into accounting departments' values. The inclination for the accountant to introduce and encourage performance orientated controls may partly be out of self-interest, as with such controls the power of the accountant may be greater.

CHAPTER FOUR

THE STRUCTURE OF THE ACCOUNTANCY DEPARTMENT

Work on the structure of accounting departments as opposed to its processes is relatively slight.

In general the debate has been confined to whether the accountancy department, particularly its management accounting function, should be decentralised or centralised.^{1,2} The centralised accounting department is depicted as being functionally organised i.e. all the accountants being placed in the same department. The decentralised accounting structure is usually depicted as one where the relevant accountants are part of a department which is organised by geographic area, projects, products, or type of customers served. In such a department the accountant would be one of several specialists reporting to a general manager.

The usual reasons given for centralised or functional departments³ are that they allow for greater specialisation of labour, supervision by fellow specialists, greater development of specialist knowledge through greater interaction with fellow specialists, greater job satisfaction, and better use of resources. However such structures are not without problems. The concentration of specialists in one department can lead to an undue concentration on specialist rather than organisational goals. The time perspectives of the department may be shortened to the functional tasks, rather than to the goals of clients.

Co-ordination, conflict and competition between departments in a functional organisation is traditionally a problem. Finally, the functional structure tends to be more formal and less flexible.

In order to try and overcome some of the latter problems some organisations have attempted to decentralise. In such structures the specialist is placed in a department consisting of a number of specialists from other functions. Consequently the specialist has less contact with other fellow specialists. It is hoped that the losses from this will be outweighed by the specialists being more concerned with client goals and integration with the other specialists. In such a structure the specialist is more likely to be called on to carry out a wider variety of professional skills. His immediate superior is more likely to be a generalist rather than a specialist. Such a form of organisation may require more staff and physical resources. In addition the promotion prospects for the specialist may be lessened, there being no identifiable functional hierarchy.

Writers examining the structure of accounting departments have isolated similar problems arising out of the structural relationship of the accountant within the organisation.

Simon et. al.² researching comptrollers departments concluded that there was a need for decentralised accounting departments in order to increase interaction and to personalise the communication between accountants and other managers. They believed this would help improve the quality

and accessibility of accounting information.

Argyris¹ too favoured decentralisation, hoping it would break down the 'wall' of distrust between accountants and clients, and help to change the hierarchical reporting systems. He felt that such a structure would allow clients greater participation in the accounting process. He expected the role of the accountant to be more as an educator and service aid rather than one as a sanctioner and controller.

Woodward⁴ claimed to have found resentment of accountants because of their adopting the latter role. She stated that this was less of a problem where the financial and management accounting functions were split.

Dew and Gee⁵ studied accounting departments in ten companies, two of which had recently decentralised part of their management accounting function. The vast majority of managers in the decentralised structures reported a better understanding of accounts because of the greater educative role being available from the accountant. This had arisen because of increased interaction due to his greater accessibility. The decentralised managers used and valued the accounting information more highly than their centralised counterparts. Two major criticisms were levelled at centrally produced reports. Firstly they were slow and of insufficient frequency. Secondly they were not related to the needs of the department; under centralisation all cost items were given equal importance whereas the decentralised reports concentrated on a few critical areas.

Lord Brown when at the Glacier Metal Co. found the 'lack of clarity about the role of the accountant' to be at the centre of their difficulties over the role of specialists. He

stated,

"It is easy to assume because chief accountants are concerned so much with money matters that they are, in fact, the specialist custodians of the economy of the company As long as accountants are seen as the people responsible for advising managers on economic and commercial matters, it will be difficult to see the role of specialists in realistic terms."

He attempted to solve the problem by separating the accounting function from the rest of the executive system, giving it its own hierarchy and restricting its tasks to the financial accounting, associated secretarial duties and the clerical functions regarding payment and collection of monies. The programming activities for production and sales he assigned to a programming divisional manager, whose responsibilities included many of those normally associated with the cost accountant. The programming divisional manager and his subordinates became accountable to the line for much of their work, as were other specialists. In effect Brown centralized the financial function, rigidly separating it from the rest of the organisation and decentralized the managerial accounting function making it accountable to the line.

However, as case studies by Lowe and Shaw,⁷ and Schiff and Lewin⁸ illustrate, decentralization may lessen control. Both give examples from decentralised departments of biased information being built into budgets in order to build in 'managerial slack' for the departments. In both cases the accountant became a willing accomplice with his clients, assisting in the manipulation.

Thus decentralisation of the managerial accounting function may result in a loss of control for top management. On the other hand it may improve the quality and availability of information for lower level decision-makers. Under decentralisation the accountants' role may change to one of a service aid and educator, rather than one of a controller.

This has been noted by Grimstad,⁹ who adapts Hage's¹⁰ axiomatic theory of organisations. He writes "accounting is that system of intra-organisational communication which serves to identify and measure the performance of position-actors" and the nature of the communication will vary in different organisations - "the content of communication in the organic model is information and advice; in the mechanistic it is instructions and orders." In consequence he claims that the structure and behaviour of accounting departments will vary along such a scale.

Similarly Thompson,¹¹ and Thompson and Bates¹² argue that when organisations tend towards greater professionalisation and greater complexity, then controls and structures must be decentralised in order to allow more innovative behaviour. They imply that accountants may well resist such accommodations.

" simple units, even though not composed of aggregations of people doing the same thing, are very often composed of overspecified desk classes carrying out the same program (such as) managing the budget; the overspecification and the sheer subprofessional simplicity of the jobs prevents the diversity and richness required for anything but very minor innovations," thus such

"administrative activities should be dispersed and decentralised down to the level of the innovative area, allowing administrative personnel to become part of the integrative problem solving groups rather than resentful onlookers sharpshooting from the outside."

It may be that the issue is not whether management accounting departments should be centralised or decentralised, but rather under which conditions is either structure most effective. This is being recognised by writers in the behavioural accounting field e.g. Miller and Gordon¹³ hypothesise that accounting information systems need to be designed taking into account the organisation's environment, its managers' decision-making styles, and its form of organisation structure. Amongst other characteristics of the accounting information system they expect centralisation or decentralisation of reporting to be linked to these factors.

Summary

The small amount of evidence which exists suggests that accounting departments traditionally are centralised i.e. organised functionally. The few studies which exist of structural problems of accounting departments suggest that the most effective structure is often where the financial function is split from the management accountancy. The former remaining functionally organised but the latter being hierarchically and geographically decentralised to the line. Where decentralisation has occurred then managers' usage and evaluation of accounting data may be greater, but this may be accompanied by a lessening

of higher management control.

The appropriate structural relationships for the management accounting department may be dependant on the type of decision-making which predominates within the organisation. This may be a result of the type of environment in which the organisation exists.

CHAPTER FIVE

CONCLUSIONS AND THE RESEARCH HYPOTHESES

The previous chapters have concentrated on three major aspects of the management accounting problem; the structure of the department; the role of the accountant; and the type of management accounting controls.

The first chapter attempted to trace the historical development of management accountancy. Emphasis was laid on the influence of historical record keeping for stewardship and in the early days of management accounting, Scientific Management.

The second chapter developed the idea that conceptually, management accounting control systems could be placed on a continuum with ideal types at each extremity. At one extremity the controls are performance orientated. The aim of such a system would be to channel organisational behaviour towards formal goals against which it would be evaluated. The system is derived mainly from Classical Management Theory. Its major characteristics would be; i) hierarchical and restricted reporting systems; ii) little participation in determining goals; iii) the use of 'tight' or ideal standards; iv) responsibilities for budget goals closely defined; v) performance evaluated by reference to budget achievement.

The control system at the opposite end of the continuum is problem-solving orientated. Its major aim is to provide operating managers with meaningful information for decision-making. It would be characterised by; i) diffuse and open

reporting systems; ii) considerable participation in determining budget goals; iii) budget goals set with reference to aspiration levels; iv) budget attainment not being the major criteria for performance evaluation; v) budget setting being an aid to co-ordination between departments rather than a means of specifying limits and responsibilities; vi) a wider content of data than is conventionally contained in accounting reports.

The third chapter attempted to examine the role of the management accountant. The role types were again depicted as a continuum, with a stewardship role at one extremity and a service role at the other.

The accountant playing the stewardship role would be adapting the traditional role of the accountant in practice to the management situation. His identification would be with the representatives of the owners i.e. top management. He would perceive his task as being to ensure, by his records and controls, that lower level managers' actions and expenditures are directly related to their specified formal goals. An accountant playing such a role would stress the need for impersonality in dealing with lower level managers. Apart from senior management, he would not be susceptible to attempts by other managers to alter the content and format of his reports. His prime obligation would be to provide reports to higher management. In preparing his reports he is likely to place a high value on accuracy over speed, and quantification and tangibility as criteria for decision-making.

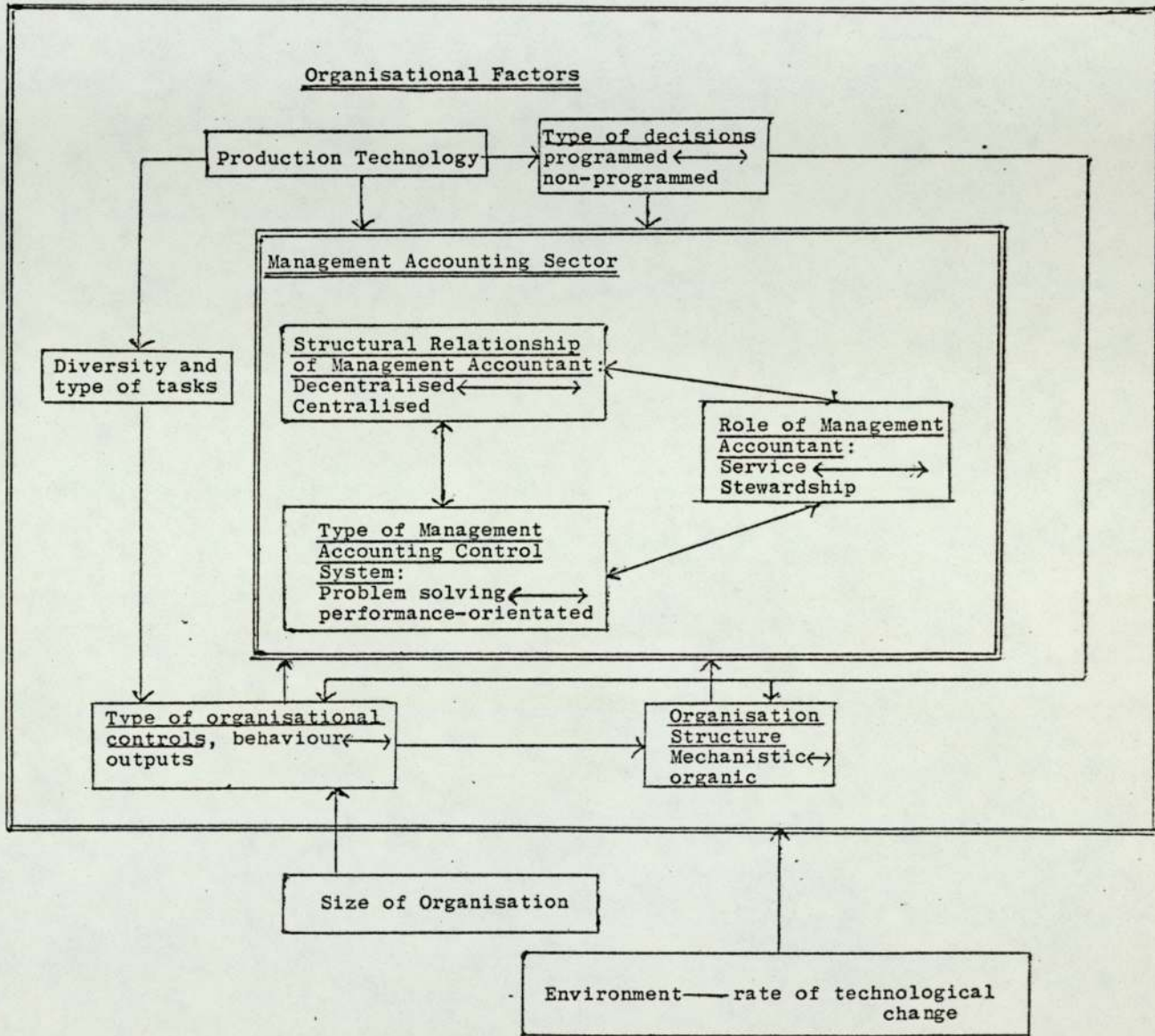
In contrast the accountant playing a service role would perceive his major clients to be middle and lower level

management. His major aim would be to provide them with suitable information for decision-making. Apart from the converse of the characteristics for the stewardship accountant he would lay greater stress on explaining reports and accounting techniques to managers. He would be more willing to accept the limitations of accounting data for performance evaluation and decision-making and would be prepared to modify accepted accounting conventions and practices in preparing information.

Finally, the fourth chapter examined the structural relationship of the accountant. The arguments can again be expressed in terms of polarities. At one extreme complete functional specialisation or centralisation of accounts, geographically separated, and accounting work split according to sub-divisions of the accounting task. At the other extreme there is decentralisation - the management accountant geographically and hierarchically placed in a department of various specialists grouped according to a common responsibility for a product, process or area. Here the accountant will be responsible for the full range of relevant management accounting duties to a general manager.

The inner section of Figure 1 distinguishes the three aspects of the management accounting function previously discussed. The structural relationship of the accountant is distinguished from the type of control system employed. The distinction between control systems and organisation structures has been made in previous studies, in particular Reeves and Woodward,¹ Thompson,² Perrow,³ and Ouchi.⁴ Ouchi in summarising the previous three states, "There are three

FIGURE 1 - INFLUENCES ON THE MANAGEMENT ACCOUNTING STRUCTURE AND PROCESSES



streams of work, each beginning with an interest in technology and structure; each coming to the conclusion that it is the control needs of technology which effect structure. With much greater clarity than those who study structure alone, they provide a distinction between control and structure."

Ouchi argues that organisational controls can take the form of either monitoring behaviour or the output of component parts of the organisation. Where the means and ends of organisational tasks are easily understood then, 'supervisors can rationally achieve control by watching and guiding the behaviour of their subordinates', i.e. behaviour control. One might presume such personalised control would not require a management accounting control system.

Where, due to the nature of production technology and rates of technological change, means and ends of organisational tasks are not so well understood, then organisational control will have to be achieved by measures of output. As decision-making becomes more complex then it becomes impossible for higher level management to control by close supervision of performance. Some evidence to support this is in Ouchi and Maguire.⁵

Increased size of organisations may also make behavioural control more difficult to maintain. The impossibility of top management exercising close personal control over large numbers of individuals may cause them to control by measures of output. This probably explains why sophisticated management accounting controls are seemingly less prevalent and necessary in smaller organisations. Figure 1 traces the above relationships between organisational controls, size of

organisations and technology.

Thus it can be argued that output controls have two major causes, organisational size and task or decision-making complexity. The specificity of output controls may however vary. The performance-orientated management accounting controls described previously are concerned with providing detailed task definition and measurement. They may be a result of size, being used in large organisations where means and ends are understood, but behaviour controls are impractical.

In organisations where task and decision-making complexity is great, making it difficult for top management to fully comprehend means and ends, then the major function of the management accounting control system may be to provide information for lower and middle management decision-making and self-control. Top management may still retain control by an output measure, but this may be longer-run and less detailed. Series of total costs, market shares and profits could be such output measures. These may be produced by the financial accountants rather than the management accountants.

As is shown in Figure 1 organisation structure and controls may well be related.⁵ Organisation structure has been shown to be strongly related to production technology⁶ and rates of technological change.^{7,8} 'Mechanistic' forms of organisation have been found to be more effective for organisations operating in stable environments and/or having large batch technology. Such organisations are more likely to have centralised, hierarchical and functional forms of structure. Thus the management accounting function is more likely to be centralised. The technological determinants of

the mechanistic structure are the same as those for performance-orientated controls. Indeed the controls may be the intermediary link between structure and technology. Consequently one would expect performance-orientated controls to be administered by management accountants in a centralised function.

The third aspect of the management accounting sector shown in Figure 1 is that of the role of the accountant. One would expect the accountant playing a stewardship role to be in a functional department providing performance-orientated controls. The role, structure and controls are all facets of a form of organisation designed to maintain major decision-making and co-ordination at the apex of the organisational pyramid.

In contrast decentralised structures have evolved as an attempt by organisations to push responsibilities and decision-making down the organisational hierarchy to points at or nearer to actual operations. It is a natural corollary of this that top management lessen their detailed intervention within departments. Their exercise of power will also be less evident in the short-run. Given this, and the fact that the accountant is no longer part of an accounting hierarchy but responsible to a general manager, then the accountant must adapt his role and controls to the needs of his new supervisor. If the general manager maintains a mechanistic form of organisation and is relatively authoritarian then the changes for the accountant may be slight. Such an outcome is however unlikely, given that decentralisation is usually a feature of organic organisations, where co-ordination between specialists

is a major priority due to the complex decisions faced. The accountant is more likely to find himself to be a member of a problem-solving oriented group of specialists and he will have to adapt his role and controls to their needs. His role is more likely to become one of service and his controls be problem oriented.

It is significant that in decentralised organisations the decentralisation often does not extend to the financial function. They or a small centralised group of management accountants may take over the role of stewardship and provide top management with more generalised output measures and advice relating to the decentralised units. Their traditional clients remain, but for the accountant in the decentralised unit his clients are now professional managers.

Thus it can be argued that structure, role and type of controls are related, all being partly determined by the nature of decision-making provoked partly by technology.

At one stage of the research the testing of some of the above propositions was considered. This might have taken the form of measuring a large number of organisations' type of production technology and features of their environments, and relating this to the type of management accounting controls they employed, to the structural relationships of management accountants and to their roles. The model became increasingly complex and the scale of the research beyond the resources available.

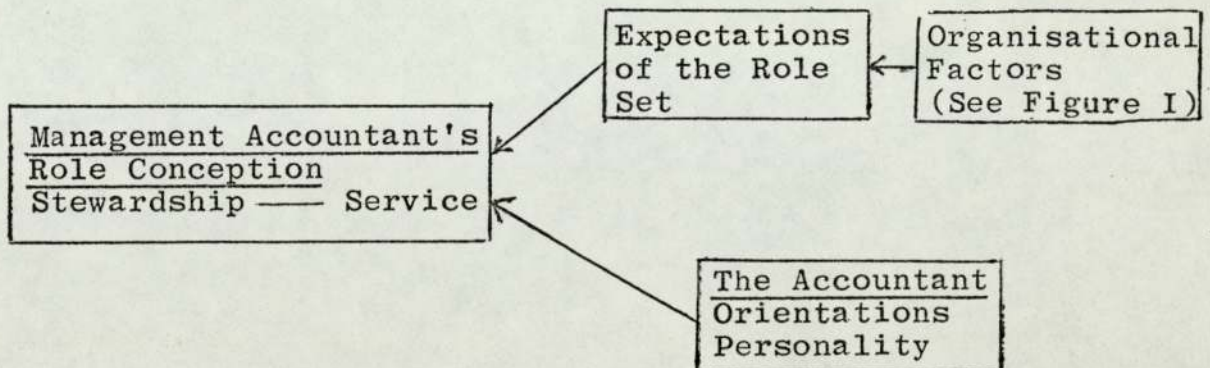
When a macro study as outlined above was discarded, the research turned inwards and sought to utilise the concepts in more of a micro study of the internal processes within

organisations. It was decided to concentrate the research on the role of the management accountant and his structural relationship within the organisation. The reason was that comparatively little work had been done on this as opposed to the processes surrounding the management control systems. It was felt that much of work to date contained a human relations bias and tended to ignore many important sociological aspects.

The Role of the Management Accountant

Figure 2 below is a simple diagram of the major determinants of how the management accountant conceives his role.

FIGURE 2 - DETERMINANTS OF THE MANAGEMENT ACCOUNTANTS
ROLE CONCEPTION



The above diagram shows one of the major determinants of the accountants' role as being the expectations of the role set, which in turn is strongly influenced by organisational factors. This is partly a restatement of the arguments

stated previously in this chapter. A more detailed examination of role concepts is contained in the following chapter and includes an explanation of the concept of role set.

A major determinant of role set is organisation structure. In a centralised structure the accountant's role set will probably consist almost entirely of fellow accountants. It has been argued previously that they are likely to perceive the accountant's role as stewardship. This is due to a variety of factors traced in previous chapters including their orientations deriving from the nature of their work and occupational socialisation; the traditional role stressed in accountancy education and training, particularly that of the I.C.A. and A.C.A.; and the greater effectiveness of traditional management controls in 'mechanistic' forms of organisation. Faced by such expectations the management accountant is likely to conceive his role as stewardship.

In a decentralised structure the management accountant's role set is likely to include a greater number of non-accountants who will be more significant because of their greater power and sanctions over him. In addition the accountant will interact more with non-accountants. He may well be confronted by more service expectations, particularly where the other managers face complex decisions involving a high degree of uncertainty and employ participative and group decision-making methods. In such a situation the accountant may well be more likely to conceive a service role for himself.

It would be wrong however to assume that the accountant determines his role simply by adjusting to the expectations of

others. His personality may be an important factor in how he conceives and performs his role.^{9,10} For example, Kahn et. al.⁹ found a number of accountants with rigid rather than flexible personalities. They had particular problems in adjusting to ambiguity. Similarly, introverted accountants may have greater difficulties in adjusting to the greater social and interaction demands of a service role. An accountant with an authoritarian-conservative personality might be more likely to prefer and persist in a stewardship role with its underpinnings of traditional and bureaucratic values.

It had previously been suggested that accountants tend to have bureaucratic orientations. These may cause many of them to persist in a stewardship role even in defiance of contrary expectations from non-accounting colleagues.

The personality and orientations of the accountant are likely to be important factors in shaping the conception of his role. It was considered exploring this in the research, perhaps by administering a personality test to each accountant studied. Such a course of action was rejected however for two major reasons. Firstly it was feared that the additional time required for the test might make it more difficult to obtain suitable research sites. Secondly it was felt that the number of accountants to be studied would be too small to make any generalisations from the results of such a test.

In consequence the focus of the research was narrowed further to the remaining elements in Figure 2, namely role expectations and organisational factors. It was these

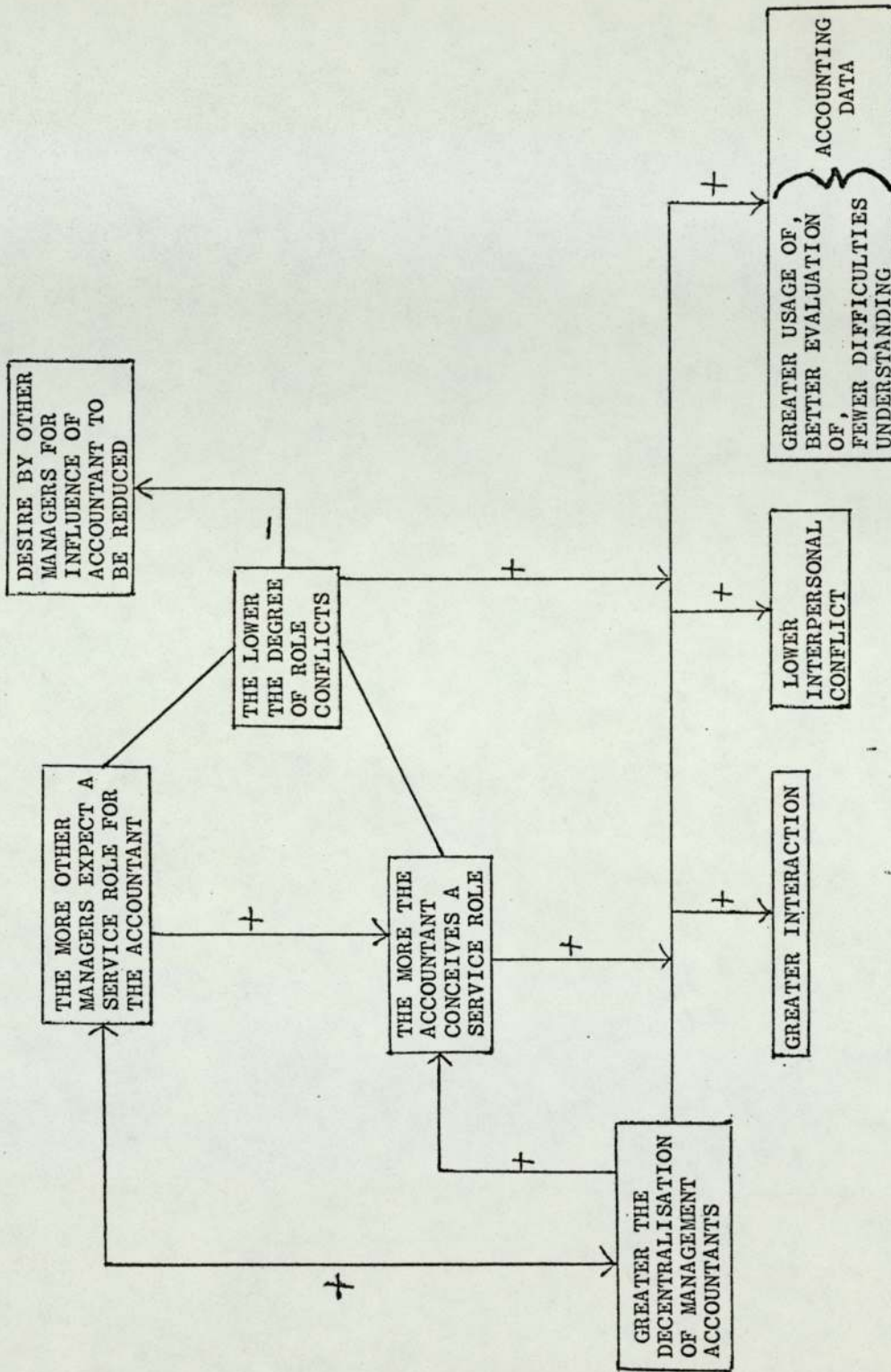


FIGURE 3 - THE ROLE OF THE MANAGEMENT ACCOUNTANT IN THE CONTEXT OF STRUCTURAL RELATIONSHIPS

considerations which formed the basis for the research hypotheses illustrated in Figure 3 and detailed below.

The independent variable isolated for study was the organisational factor of the structural relationship of the management accounting department, i.e. its relative centralisation or decentralisation. Following the arguments made previously, it was hypothesised that the structural relationship would be a major determinant of role conceptions and role conflicts. The major hypotheses were- the greater the decentralisation of the management accounting department then:-

- (a) the more non accountants would perceive the management accountant as playing a service role; (Hypothesis 1)
- (b) the more the management accountant would conceive his role as service; (Hypothesis 2)
- (c) the lower would be the amount of role conflicts perceived by non-accounting managers. (Hypothesis 3)

A major direct effect of decentralisation was hypothesised to be increased rates of interaction between the management accountant and non-accounting managers. (Hypothesis 4)

In addition decentralisation, particularly hierarchical, is likely to alter patterns of influence surrounding the accountant. In particular, decentralisation is likely to increase the perceived influence of non-accounting managers over their accountant. (Hypothesis 5)

Given the assumed greater dependence of the accountant

upon them, it was hypothesised that the decentralised managers would be less likely to seek an increase in their powers over their accountant (Hypothesis 6), and feel a lesser need for a reduction in the power of the accountant over themselves (Hypothesis 7).

It was believed that the greater interaction of accountants and non accountants under decentralisation, and the accountants' greater dependence upon non-accountants would be major causes of the accountant being more likely to fulfil service expectations for his role. Consequently it was hypothesised that lower role conflicts would be associated with greater rates of interaction (Hypothesis 8), and managers having greater perceptions of their influence over their accountant (Hypothesis 9).

Decentralisation is often prescribed as a means of reducing interpersonal conflict between line and staff personnel. Therefore it was hypothesised that the greater the decentralisation of the management accounting department then the less would interpersonal relationships between the accountant and the other managers he served be inclined to conflict (Hypothesis 10).

The lower interpersonal conflicts may be a result of reduced role conflicts under decentralisation and greater interaction. Thus it can be hypothesised that more harmonious interpersonal relationships would be associated with greater rates of interaction (Hypothesis 11), and lower rates of role conflict (Hypothesis 12).

A major objective of the research was to investigate whether managers' usage and evaluation of accounting data

and reports is affected by the structural, role, and interpersonal relationships they have with their management accountant. As a result it was hypothesised that the greater the decentralisation of the management accounting department then the more favourable would be the evaluations of non-accounting managers of management accounting data and reports (Hypothesis 13), and the more they would study and use them (Hypothesis 14).

The increased evaluations and usage of accounting data under decentralisation was believed to lie in the more favourable climate it produced with respect to interpersonal and role conflicts and interaction. Thus it was hypothesised that higher evaluations and usage of accounting data would be associated with lower interpersonal conflict between the accountant and non-accountants (Hypothesis 15), lower rates of role conflict (Hypothesis 16), and greater rates of interaction (Hypothesis 17).

Figure 3 represents the hypothesised relationships between the variables in a dynamic form. The independent variable is structure and the dependent variables being managers' usage and evaluation of accounting data. The remaining variables are shown as being intervening variables. The depicted relationships are an attempt by the writer to try and conceptually clarify the interplay between a relatively large number of variables. It is recognised that the depicted sequence may be open to conjecture. Testing of the dynamics was difficult given

the static design of much of the research methodology. In consequence the dynamics of the hypothesised relationships usually had to be assumed by the researcher or deduced from qualitative comments of subjects.

The model in Figure 3 does not cover all the points previously discussed. There is no direct attempt to measure the effect of types of decision-making and technological factors facing the organisation. These could have been linked as determinants of structure and role expectations. The model could have incorporated the type of accounting control system which was employed. Finally the accountant's conception of his role could have been related to his personality.

The above are the major factors in the researcher's opinion which have been omitted from the model. An almost limitless list of other factors could have been added, some no doubt which may be significant e.g. the effect of the degree of professionalisation of managers, the effect of the size of the company and its degree of separation of ownership and control.

However the researcher had to reduce the complexity of the real world to a smaller more simplified model which was capable of empirical testing and not so complex that it became beyond his comprehension. In addition to constraints of time placed on the researcher by his other duties and the co-operating organisations meant that all aspects of the problem could not be covered. With the benefit of hindsight it was probably regrettable that

measures of size and technological differences between the organisations were not taken. In addition some measures of the type of control system would have been useful. The desire to reduce the study to more manageable proportions caused these factors to be omitted, probably mistakenly.

CHAPTER SIX

THE RESEARCH METHODOLOGY

The Reasons for using Role as an Object of Study

The initial impetus for the research came from trying to apply behavioural science and organisation theory to the operation of management accountancy control systems. A recurring recommendation of writers in this field was the decentralisation of the management accounting function to operating units. This led to an examination of the work on structural aspects of organisations. The conclusions drawn from this area of study led to questioning of the validity of making general structural recommendations regardless of organisational types.

This doubt was reinforced by a conviction that much of the behavioural accounting work was based on human relations assumptions and their conclusions were dependant on organisational members having a common definition of the situation. It was felt that this commonality might often not exist, thus the findings and applicability of much of the work may be limited.

This strand of thought provided another dimension which might be studied. The members of the organisation and their expectations needed to be considered, as well as their behaviour within a structure. The accountant particularly seemed to be subject to a variety of conflicting expectations from others, and to be imbued in a cultural climate whilst training which was often at odds with other

sub-cultures within the organisation. The major source of interest then became one of which expectations and cultures did the management accountant respond to, and why, and in so doing what conflicts did his behaviour manifest?

It was these considerations that led to the study of role as 'it links a somewhat more easily observable phenomenon, social behaviour, to an important, but less easily observable abstraction, social structure'¹ and to an even less easily observable phenomenon, namely the expectations of organisation members.

The Role Concept, Associated Problems, and its Definition

The role concept is essentially derived from a dramaturgical analogy as Biddle and Thomas state 'the role perspective assumes, as does the theatre, that performance results from the social prescriptions and behaviour of others' and 'by their sanctions for his conforming or nonconforming behaviour.'²

Popitz³ traces the concept from a linking of two basic concepts in sociology; social normation and social differentiation. He points out that, 'Social roles, seen from the viewpoint of society are indeed phenomenon of normative specialisation; seen from the standpoint of the individual they are phenomena of social generalisation.' That is, if roles are looked at from a societal level then there is an array of parts within that society, each with differing patterns of behaviour expected and enforced by others. Yet to an individual there is predictability and consistency in

that actors playing the same part behave similarly.

The concept is not without its critics. Coulson⁴ accuses it of 'simply being a reification of society, concentrating upon consensus to the expense of dissensus and conflict, which is regarded as 'alien to the system' or a source of disequilibrium.' Her assumption that role theory concentrates upon consensus is open to question. It is by examining roles surrounded by conflict and dissensus that symbols of major clashes between sub-cultures and groups and their varying values and interests can be discovered. In doing such work the researcher need not necessarily favour concensus or make any value judgment on the desirability or otherwise of change.

Role theory, stated in its crudest form, i.e. that all behaviour is determined by common expectations of others, can be criticised as a 'doctrine' of social determinism. As Jackson⁵ points out there are limits to the 'dramaturgical analogy' especially with regard to 'the nature of man, his plasticity as a learner, his capacity in reflecting expectations of others, his criteria of rationality, and his perceptions of situations in terms of his interests...' In particular he points to the work of Goffman⁶ as showing the limitations of the analogy in unstructured situations where 'the lines have appeared to have been lost'... 'to what extent is it assumed that he can and must ad.lib.' Such criticisms have a validity. However this piece of research was conducted in industrial organisations, where it is assumed that the structuring is considerable and



such situations may be relatively few. It may well be that the role concept is more applicable within formal organisations.

A major criticism of role theory has been the multiplicity of definitions surrounding the concept. Biddle and Thomas² state that 'the concept of role is the central idea in the language of most role analysts but, ironically, there is probably more disagreement concerning this concept than there is for any other in role theory. Reviews of role definitions have indicated a striking diversity of definition... The idea of role has been used to denote prescription, description, evaluation, and action; it has been referred to covert and overt processes, to the behaviour of the self and others, to the behaviour an individual initiates versus that which is directed to him.'¹¹

Excellent reviews of terminological difficulties can be found in the work of Biddle and Thomas,² and Gross et al.⁷ The latter writers ascribe many of the differences to the fact that varying disciplines have developed and used the concept of role.

Gross et al. claim that the various definitions and concepts generally share three basic ideas; '...that individuals: (1) in social locations (2) behave (3) with reference to expectations.' These three features have been incorporated in this study as has Levinson's⁸ recommendation that, "we should, I believe, eliminate the single term 'role' except in the most general sense, i.e. of 'role theory' as an overall frame of analysis," by

defining role in Pugh's 'blanket term' as 'a set of expectations and behaviours associated with a given position in a social system.'⁹

Research Design Considerations

Prior to examining role concepts more deeply and their incorporation into the research it is necessary to look at some of the general considerations which helped formulate the research methodology.

Once the area of study was defined it was decided that the research would require interviews of some length with subjects. The research was to investigate individual performance in a task and his relationship with others. Some of the issues to be looked at were of a sensitive nature. In order to gain a degree of validity in responses it was felt essential that an interview technique should be used so the researcher could explain his research aims to subjects and stress the attempts at confidentiality. Additionally the interview enabled subjects to ask questions about the research so assisting to reassure them.

The research is relatively exploratory, which was a further reason for using interviews. No other recent study of the role of the management accountant has been conducted. As indicated in previous chapters quite specific hypotheses concerning the role can be derived and tested. However the researcher did not want to prejudge, and by his methodology pre-determine, what features of the role would be examined. Consequently the methodology deliberately gives scope for subjects to determine the activities for study. In addition

the researcher did not want an over-formal questioning process with entirely structured questions and responses. It was felt that areas of concern to the researcher and/or the subject should be capable of further exploration. Any subsequent losses in statistical precision it was felt might be outweighed by the discovery of previously unconsidered important considerations. Consequently interviews were of a semi-structured form. The two interviewing schedules and responses for the interviews with the accountants are contained in Appendix A. Those for the other managers are in Appendix B. Both were based on those used by Kahn¹⁰ et al. but are substantially modified because of the research aims and constraints of interviewing time.

An attempt to build quantitative data into the research was made in order not to rely entirely on subjective interpretations of responses. In addition it was felt that the quantitative data would assist later analysis of responses.

The resulting statistics do however have serious limitations. The sampling is questionable due to its lack of independence in choosing subjects. The choice of accountants to be studied was determined primarily by where the researcher could get access. The choice of other managers to be interviewed was determined mainly by the relevant accountant's perception of who the most important persons were in determining how he played his role.

Not only may the samples not be representative, but they are also fairly small, which again qualifies the ability to generalise from such findings. The accuracy of some

responses was sometimes doubted subjectively by the researcher. A few subjects appeared unwilling or embarrassed to discuss a colleague with a relative stranger. Finally the scaling of some responses left a considerable degree of discretion to the researcher. The accuracy and consistency of such scaling increasingly gave cause for concern.

The validity of the quantitative data is questionable, a not uncommon problem in social science research. Any substantial generalisations from it must be cautious. This is not to say it is without interest or value. The research was intended to be an exploratory and wide ranging study. Much of the methodology and analysis is of a case study nature, which despite its weaknesses is often more capable of throwing new light on a topic. The large amount of qualitative data and its subsequent analysis which the research generated is hopefully a useful and valid contribution.

Role - Structural Aspects

In studying role one is in part examining a unique point in a system or systems of social relationships.¹⁰ That is, there is a structural element of a particular position in society which has a basis for differentiation, from other positions.

Thus in defining a position there are two differing concepts involved, firstly the basis for differentiation, and secondly the structural element. A failure to incorporate both concepts can lead to unsatisfactory or partial definitions. For example Biddle and Thomas² describe position as a process of categorization by defining position as, 'a

collectively recognised category of persons for whom the basis for such differentiation is their common attribute, their common behaviour, or the common reactions of others towards them.¹¹

Such a definition would appear to allow undue latitude. For example what Popitz³ calls social behavioural types such as beatniks, snobs and group figures like 'whipping boys' could be included.

Secondly it makes no reference to social structure, and as Gross notes,⁷ 'nearly every role theorist, regardless of the frame of reference in which his analysis is couched, adopts the view that a position is an element or part of a network or system of positions.' This is essential as one can only view role in terms of reciprocal relationships, that is the 'identification models' upon which the actor bases his behaviour and significant others who are able to influence his behaviour e.g. by sanctioning behaviour.

Merton¹¹ calls these relationships the role-set which he defines as, "that complement of role relationships in which persons are involved by virtue of occupying a particular social status (position)." I shall follow Merton's definition.

The role set in an organisational study would normally include 'immediate supervisors and subordinates and office (position) holders in other departments with whom (the position holder) must work' (Kahn)¹⁰, as well as significant others such as friends and professional colleagues.

The position of central study I shall refer to as the focal position. This I shall define as Kahn et al.¹⁰ do in

the context of organisations as, 'a unique point in organisational space', with organisational space defined as, 'a structure of interrelated offices (positions) and the patterns of activities associated with them.' I have used this definition as it covers both the aspects of structure and behavioural differentiation referred to earlier.

The actor in the focal position I shall call the focal person.

A difficulty in selecting focal positions as a basis of generalisation to a category is the extent to which each position may be unique to itself. For example formal organisations may delineate duties in slightly different forms, to positions which on the face of it look identical. Similarly the behaviour of the focal person may substantially modify expectations of others, thus one may not be sure whether one is discovering expectations which would apply to all incumbents of that position.

These problems arose in the research. The major research aim was to investigate the role of the management accountant. As indicated the relevant focal position had to be identified with respect to both structure and expected behaviour. In selecting which position was the correct one to be studied the initial contacts in the organisations studied were asked to identify 'which is the lowest position within the organisation that is responsible for producing the management accounts and for liaising with other managers regarding their interpretation. The relevant position will probably be one position hierarchically above that of a clerical supervisor.' It was believed that this definition of the focal office

incorporated reference to both its structural point and expected behaviour. In practice the difficulty was that with respect to behaviour many of the focal positions studied were not confined solely to the behavioural aspects defined. Some, for example, had responsibilities as company secretaries. In one organisation the liaising and production of management accounts responsibilities were split between differing positions. Thus one can question whether the focal positions studied represent identical positions which provide a basis for generalisation. The conclusion must be that they contain differences, but are similar in respect to the behavioural aspects on which their differentiation was made, i.e. the management accounting activities.

Locating the relevant focal positions with regard to their structurally defined aspect was not difficult, though their titles and rank within the organisations' hierarchies varied considerably, depending on the size of the organisation and its legal structure. Titles of focal positions studied varied from company secretary and accountant to factory accountant. Some of the former were directors, some of the latter were three hierarchical levels below that of directors.

The research methodology was concerned also with examining the role-set's conception of the management accountant's role. Determining the role set can be difficult. It involves two factors, persons significant to the focal person and other positions structurally interconnected with the focal position. The two sets are often closely interlinked, but this

is not necessarily so. Also due to time limitations it was decided to limit the research to four members of each focal person's role set. The research was particularly interested in comparing accountants' and non-accountants' conceptions of the management accountants' role. This would not be possible if the selection were to be limited to members of the role-set significant to the accountant in cases where the accountant perceived only other accountants to be significant.

In practice the above problems did not occur to any great extent. Each focal person was asked to identify his superior(s) and other persons with whom he had to work with and/or were important in determining how he carried out his work (Appendix A, Section D). The section of the role set selected by the researcher from this list for further research usually included the focal person's superior and the three other most significant non-accounting managers named by the focal person. This usually corresponded with the focal persons' assessment of which role senders were most significant with the exception in a few cases of the odd accountant, superior or peer to the focal position.

However in interpreting the data it must be borne in mind that the role sets examined were limited to four and that their selection was biased in favour of including non-accountants.

Expectations

It is central to role theory that members of the role set hold expectations as to the correct behaviour for an occupant of a focal position. It is from learning directly of

these expectations, or negatively by the imposition of sanctions, that the focal position holder has a model of appropriate behaviour upon which his subsequent actions are based.

Gross et al.⁷ point out that the concept of expectations has been used in two senses. Firstly in the predictive sense, that is that the actor in the focal position will do something. Secondly in what they call 'a normative criterion or standard of evaluation,' that is that he should do something.

Due to the nature of the research, which is clearly normative, expectations has been defined in the second sense as do Gross et al. as 'an evaluative standard applied to an incumbent of a position.'

The content of expectations held by a member of a role set regarding the focal position are diffuse. Kahn et al.¹⁰ note that they 'may include preferences to specific acts and personal characteristics or styles; they may deal with what the person should do, what kind of person he should be, what he should think or believe, and how he should relate to others.'

Such expectations can be categorised as do Gross et al.⁷ between expectations for behaviour and expectations for attributes in order to differentiate between 'what incumbents of positions should do and what (they) should be, or the characteristics they should have.'

In the research the expectations of the role set concerning behaviour was found by asking them how they

would like the focal person to perform various activities differently (Appendix B, Section C, Question 5). In addition they were asked if they believed he should spend more or less time on that activity. (Appendix B, Section C, Question 5).

The list of activities for which these questions were asked were based on the responses of the focal person to enquiries about what he believed the major activities involved in his job to be (Appendix A, Section B, Questions 1 and 2). It was assumed that this list corresponded to the focal person's conception of his role. The list of activities was restricted to a maximum of the eight most important.

It could be argued that this method biased the role senders' responses towards activities conceived by the focal person to be important, but not by the role sender. This was overcome partly by including 'sweeper' questions aimed at picking up any such divergencies (Appendix B, Section C, Questions 7, 8 and 9).

The role senders' expectations regarding attributes were discovered in questions asking him to name the personal characteristics he believed a person ought to have to be effective in the focal position (Appendix B, Section F, Questions 1 and 2).

There are a number of dimensions along which expectations can vary. Kahn et al.¹⁰ specify three, 'sign (prescriptive), magnitude (strength of influence attempt), specificity (extent to which the expected behaviours are made concrete and detailed). Of these I picked

out magnitude of the expectation for consideration. The role senders were asked the importance they believed each activity had to the focal position and their own task. (Appendix B, Section C, Questions 2 and 3)

If a member of the role set holds expectations concerning a focal position it cannot be assumed that he necessarily communicates all of these expectations to the focal person. This was picked up in (Appendix B, Section C, Question 6).

Role Conflicts and Concensus

Merton states 'there is always a potential for differing and sometimes conflicting expectations of the conduct appropriate to a (position-holder) among those in the role-set,' due to such members having differing statuses, interests, values, sentiments and moral expectations.

Gross et al.⁷ spend considerable time in criticizing assumptions of consensus of expectations in much work, particularly that of anthropology. They state that, "the concept of ideal pattern hastended to block the use of 'normative data' to penetrate dynamic problems of cultures - their inconsistencies, their cleavages, and their internal strains."

The same criticism could be applied to any search for ideal types in an organisational study. The impetus for the research has come from an inability to find such an ideal type for an occupational position and a belief that the differences may be due to members of the role set holding differing norms, values and interests and that the differences are symptomatic of wider struggles over ideology

and interests. To assume an ideal type may imply a 'harmony bias' and a lack of appreciation of the bases for change.

Role conflicts arising out of expectations of the role set can be categorised into various types.

1. Inter-sender conflict; where the expectations of one member of the role-set oppose those of one or more other members of that role-set.
2. Intra-sender conflict; where the expectations of one member of the role-set are incompatible.
3. Inter-role conflict; a single person in an industrialised society rarely holds only one position. It may well be a feature of advancing industrialization and rationalization that individuals play larger numbers of roles (Faunce).¹² This can give rise to inter-role conflict, where the expectations associated with holding of one position conflict with expectations arising out of the holding of other positions.

This research, following Kahn et al's¹⁰ methodology, concentrated on enquiring intensively into role senders' dissatisfaction with the behaviour of the focal person as it appeared to them. The questions regarding their expectations for behaviour associated with each activity were scored according to the degree of change desired in each activity. (Appendix B, Section 7, Questions 4 and 5) For each role sender two indices were calculated, role conflict-activities change and role conflict-time change. The indices were calculated by dividing the total score for desired changes in each

activity over the maximum possible score for change. In constructing this score, responses to activities which were perceived by the role sender as not so much, or not at all important to himself were deleted, as were responses where the role sender didn't know if he wanted any changes.

The role conflict index for measuring the degree in desired change in attributes was constructed by asking the role sender to what extent he believed the focal person had the attributes he had previously described as being important to any person filling the focal position. (Appendix B, Section F, Question 3) The index role conflict-stylistic, was constructed by totalling the score of divergence given for each attribute divided by the maximum divergence possible.

The Focal Person - His Role Conception and Conflicts

As has been previously indicated, the focal person's conception of his role is determined not only by the sent expectations of members of the role set, but also by his own attitudes, goals and personality. In effect the focal person is a role sender as well. The influence of the focal person may be very important in situations envisaged by Levinson⁸ where 'one dominant model pattern of role performance corresponding to the structural requirements does not exist and thus the focal person can choose between the various modal types according to his personality and values.'

Thus there are three differing factors concerning the focal person and his role; the perceived expectations of others; the focal person's own desired or preferred role;

and finally, by an intermingling of the previous two, his actual interpretation of his role or his modified role conception.

In the research by asking the focal person to specify the activities which he conceives as being important to his task it is assumed that they are indicative of the final concept above. The approach is the same as Reissman¹³ faced with a similar situation whereby he assumed 'the content of responses being taken (to be) a synthesis of expectations of significant others, bureaucratically defined roles in formal organisations, and the preferences and beliefs of the actor.'

Any divergence between the focal person's role conception, as defined above, and his preferred role is of interest as it can give rise to person-role conflict. This will occur when the actor perceives his role conception to violate his own preferences or expectations. In the research this was explored and measured in responses (Appendix A, Section J. Question 1), with regard to each activity. An index was constructed in the same manner as the previous role conflict indexes.

The focal persons' perception of self role conflicts was measured in (Appendix A, Section J, Question 4) and again an index was constructed by totalling scores given for conflict over the maximum possible.

If it is accepted that a person occupying a position needs to know the expectations for that position in order to give a guide to action, to predict sanctioning behaviour, and to

gain a high evaluation of self by gaining a high evaluation from others, then the situation can arise where the person has insufficient or inadequate information to form a role conception. Such a state is called role ambiguity by Kahn et al.¹⁰ who define it as 'the degree to which required information is available to a given organisational position. The state may be objective or subjective, the former referring to the 'state of the environment' and the latter the focal person's perception of it. An immediate effect of perceived role ambiguity is often tension, anxiety, and a hesitancy to act by the focal person.¹⁰

The research attempted to investigate and measure any role ambiguity in (Appendix A, Section F, Questions 1 - 4). In addition this was extended in probes concerning members of the role set in (Appendix A, Section K, Questions 2 and 3).

A question concerning perceived intra-sender conflict for each major role sender was asked in (Appendix A, Section K, Question 4). A further exploration of sent expectations and the focal person's role conception was explored in (Appendix A, Section K, Question 5).

A further type of person-role conflict is role overload. This occurs when the focal person perceives the various role senders as holding expectations which are legitimate and mutually compatible, but are perceived as impossible to complete within the time constraints on the focal person. Thus the focal person may experience conflict over deciding priorities. This was explored in Appendix A, Section G, Questions 1 and 2.

The research was interested in discovering some of the factors which could influence the accountant's conception of role. Questions regarding career were asked in Appendix A, Section C. Other sources e.g. job descriptions, professional training and self-determination were examined in Appendix A, Section E.

Appendix A, Section H, was concerned with trying to discover what provided satisfactions for the focal person when performing his role, and to what extent his role contained these elements. It was hoped that this section might reveal some of the orientations of the accountant. Section M, Appendix A attempted to get the focal person to identify what attributes he felt were important for a person occupying his position and to what extent he felt adequate. It was intended to compare these with similar questions to the role sender (Appendix B, Section F).

Finally a series of questions attempting to trace sources of stress on the focal person were asked (Appendix A, Section 1).

Interpersonal Relationships - Power and Conflict

One of the major features reflected in the literature search was the high degree of conflict often reported between accountants and non-accountants. Often it was suggested that this was caused by a resentment of the power of the accountant. At one stage it was considered making this the

major topic of the research. This was later abandoned in preference to the aforementioned hypotheses.

A generally accepted definition of conflict is that of Coser¹⁴ who defines it as, 'a struggle over values or claims to status, power and scarce resources, in which the aims of the conflicting parties are not only to gain the desired values but also to neutralize, injure or eliminate their rivals.'

The definition implies a process beginning with parties having different goals and subsequently behaving in deliberate opposition to one another. The concept of conflict as a process is taken up by Pondy¹⁵ in his description of a 'conflict episode' which consists of five stages; the latent conditions for conflict; perceptions and feelings of conflict; manifest conflict behaviour; the aftermath of conflict. In the research it has been hypothesised that the latent conditions for conflict between the accountant and other managers lie in the accountants' enactment of their role and their use of the control system.

Given the relatively static research methodology of interviews it would have been impossible to trace the dynamics of conflict as indicated by Pondy¹⁵. Interpersonal conflict between the accountant and his role senders had to be measured by the latter's responses to questions relating to the manifestation of conflict behaviour between themselves and their accountant.

Shepard¹⁶ classifies reactions to conflict as total war, limited war bargaining, and problem solving. Lawrence

and Lorsch¹⁷ describe methods of resolving conflicts as win or lose situations, smoothing over, withdrawal, compromise, and confrontation. March and Simon¹⁸ classify behaviour resulting from conflict into inter-group problem solving, persuasion, bargaining, and politics.

It is possible to conceptualise conflict behaviour depicted above on a total war to joint problem solving continuum. Dutton and Walton¹⁹ specify details of the extremes of such a continuum traced from observations of conflict and cooperation between departments in industrial organisations. They depict the extremes as a) encouragement and willingness to interact to unwillingness and discouragement to do so; b) free and open disclosure of information to with-holding and distorting it; c) trust to distrust; d) like to dislike of parties; e) seeing problems as joint tasks to seeing them as win or lose situations; f) willingness to assist one another to deliberate sabotage; g) the degree to which the parties see each other as lacking in competence and understanding; h) the degree to which they attempt to minimise their own department's freedom and minimise that of their rivals.

The above examples of manifest conflict behaviour have provided the basis for the questions to each role sender which attempted to measure the degree of interpersonal conflict between himself and the focal person (Appendix B, Section E). Subjects were asked to give a structured response which was contained on a card handed to them.

As mentioned in Coser's¹⁴ definition of conflict one

of the latent conditions for conflict is power. Taking, as this research does the concept of power being described by Dahl²⁰ as, 'A has the power over B to the extent that he can get B to do something that B would otherwise not do; Kahn²¹ links power to conflict. He states 'The implication of conflict in this approach to power is inescapable. We assume that a person's behaviour at any moment is determined by some set of forces, including those generated by his own needs and values and those exerted on him by external agents. To say that A has the power to change B's behaviour necessarily implies that A exerts some force in opposition to some or all of the previously existing forces on B. This is conflict...'

Kahn here is linking conflict to behaviour and power. However Dahl's definition of power includes power being based on coercive and legitimate authority. Kahn's reasoning suggests that legitimate authority can give rise to conflict. Such a result is unlikely. However his concept may be reasonable in so far that a party perceives power as not legitimate and coercive, and in consequence manifest conflict occurs.

The research attempts to discover the role sender's assessment of the power of the accountant over himself, its felt legitimacy and the mode by which it is expressed in various questions (Appendix B, Section G). In addition similar questions concerning the role sender's power over the accountant are asked (Appendix B, Section D).

Interaction and Role Senders' Usage and Evaluation of Accounting Information

An important factor arising out of the structure of the accounting department and the degree of role conflict is believed to be the amount of interaction between the accountant and non-accounting managers. It was also hypothesised that this would be a determinant of managers' usage and evaluation of accounting information. The amount of interaction was gauged by responses from each role sender (Appendix B, Section A, Questions 6 and 7). It was attempted to measure interaction visually and spoken.

A major point arising out of the literature review and incorporated into the hypotheses was the claims that managers frequently did not use accounting information and its usefulness was frequently doubted. The role sender's usage and evaluation of the information he received was measured in (Appendix B, Section J, Questions 2 and 3). Further questions (Appendix B, Section J, Questions 4 - 7) were asked to try and determine some of the factors surrounding the information which may have influenced its usage and evaluation.

The Structure of the Management Accounting Department

The structural relationship of the management accountant was determined from responses from each focal role (Appendix A, Section D, Questions 1, 5 to 8). In the analysis only two of the questions, 1 and 6, were taken as measures, the former being related to the accountant's hierarchical superior, the latter being related to the geographical

location from which the accountant worked.

With hindsight it may well have been useful to have developed two additional structural concepts. Firstly, where the accountant reported to a non-accountant, then further information and measures relating to any remaining links he had with other accountants hierarchically within the organisation. Secondly, measures and information on the decentralisation of decision-making regarding management accounting activities. The major purpose of decentralisation is to allow many of the decisions to be made nearer the point of operations. A problem arising out of decentralised accounting structures was that higher level accountants often retained considerable decision making powers over the timing and format of management accounts. The extent to which this occurred was not specifically picked out by the research questions.

The Interviewing Programme

Initial testing of the interview schedules was conducted amongst work colleagues who had recently worked in industry as management accountants or managers, and with an accountant and other managers in a local manufacturing firm.

The research sites contained in the study were obtained mainly through contacts emanating from the University of Aston. Attempts to gain access to research sites through the research committees of the major Accountancy Institutes met with no positive response, as

did similar attempts to local societies of accountants. Approaches to past and present governors of my employing body, Wolverhampton Polytechnic, yielded one research site. In all the main part of the study researched twelve focal roles. A further three were started but not completed. In two of the cases this was due to an inability to secure further interviews. In the third case the company was closed down and it was mutually agreed to cease the programme in the highly charged atmosphere deriving from the fact that all of the subjects had been declared redundant.

The research sites were deliberately restricted to large organisations. It was felt that the structural problems might not be relevant to small firms and their management accounting might be rudimentary. In most cases the subjects were drawn from subsidiary companies of major employing organisations. Further details of the focal roles and their organisations are given below in Table 3.

The initial interview with each focal role normally lasted one hour and the second one forty-five minutes. For each of the focal roles studied four role senders were interviewed. This interview normally lasted one hour. In one instance only two role senders were interviewed due to limitations being placed upon the researcher by the superior concerned. During all of the interviews the researcher endeavoured to take as near verbatim transcript as possible of relevant and seemingly important responses and comments.

TABLE 3

Details of Focal Positions and Their Organisations

Focal Role No.	Titles of Focal Positions	Descriptions of the Departments Served by the Focal Roles	Numbers Employed* in the -		
			Whole Organisation	Relevant Subsidiary	Departments Served by the Focal Roles
1	Regional Accountant	A geographical area of a mining and quarrying subsidiary of a construction company	25,100	10,700	2,000
2	Factory Accountant	Light engineering factories in a subsidiary of a predominately engineering company	74,000	3,000	300
3					1,200
4	Company Accountant	An equipment leasing and servicing subsidiary of the same company as above		11,300	750
5	Factory Accountant	The major U.K. factories of the U.K. subsidiary of a multi-national rubber products company		11,000	4,600
6	Divisional Accountant	Production and service divisions of a confectionery subsidiary of a foodstuffs company	32,300	8,200	2,730
7					370
8					1,610
9					1,050
10	Company Accountant & Secretary	Metal manufacturing subsidiaries of a metals manufacturing company	24,700	2,400	450
11					300
12	Factory Accountant	Steel mills within a division of an iron and steel company	210,200	34,650	1,000

*The figures relate to U.K. employees only

The occupations of the chosen role senders varied, but they were concentrated in production management and allied engineering functions. Details of the occupations of all of the role senders are given below in Table Four.

TABLE FOUR

Numbers and Occupations of Role Senders*

Number of Role Senders (including the post change study)	Occupations
32	Production, factory and general managers
20	Engineers, including industrial engineers
12	Others, including research and development, marketing, purchasing and accountancy managers

*More detailed information about role senders is contained in Appendix C.

The research at the confectionery firm was carried out immediately prior to the introduction of organisational changes aimed at lessening the degree of centralisation within the company. The researcher agreed with the management that he would give them a report on the comparative results of the research. This was a contribution to a wider organisational change and development exercise being undertaken by the company. The company was being assisted in this exercise by academic staff from the Management Centre of the University of Aston.

The report was duly given to a residential meeting of the company's managers. Eighteen months after the initial

study the research was repeated in the confectionary subsidiary in order to attempt to measure some of the effects of the changes. The follow-up study used exactly the same methods as the original one.

In the intervening period some of the occupants of the various positions researched had changed. One focal person had resigned and had been replaced by another accountant recruited from within the organisation. Of the sixteen role senders interviewed in the follow-up study, ten were in their original positions, four positions had new occupants, and two were additional due to their superior lifting his previous restrictions upon the researcher. The results of the follow up study are discussed separately in Chapter Eleven.

Summary

The research methodology relied heavily upon role concepts drawn from a number of recent research studies of role. The interviewing programme was a much modified version of that used by Kahn et al.. In particular, questions regarding inter-personal conflict and role senders' usage and evaluation of data were added. Finally the chapter gave some additional details regarding role senders and the research sites.

CHAPTER SEVENTHE ACTIVITIES INVOLVED IN THE ROLE OF THE
MANAGEMENT ACCOUNTANT

Much of the research methodology is based around the activities specified by each focal person as constituting the major aspects of his role. The determination of the activities was deliberately made by the focal person in order to prevent the researcher prejudging what their major tasks were. The methodology has problems associated with it. Firstly different persons in similar positions may vary in their perceptions of what their major activities are. What is included or excluded may be a reflection of the orientation of the accountant and his interpretation of his role, e.g. two focal persons in the confectionary organisation specified 'educating other managers in accountancy' as a major activity whereas the remaining two did not. In the latter cases role senders were not asked questions relating to education activities unless they picked it up in the 'sweeper' questions. However they might have regarded this as an important activity if questioned about it.

The second problem arising out of the methodology is that direct comparison of data relating to the activities of each focal role is difficult, as the activities were not standardised.

Many of the activities were however found to be common to all of the roles researched. Indeed, had they not been, then it would have been questionable if similar

roles were being studied.

The maximum number of activities included in the activity list for each focal position was eight. The three shortest lists drawn up had five activities. One case had six activities. Three cases had seven activities. The remaining five listed eight activities.

Fortunately for comparison purposes five activities recurred regularly on activity lists. These are listed below with details of their recurrence.

TABLE 5

COMMON ACTIVITIES IN THE ROLES OF MANAGEMENT ACCOUNTANTS

Type of Activity	Number of focal roles in which this activity recurs
1. Preparation of future budgets	11
2. Production of budget results	11
3. Special projects and investigations commissioned by other managers	10
4. Liaising with other managers	11
5. Activities regarding stock control and records	6

In no case did any role studied contain less than three of the activities. The first four constituted the most important activities of each role.

All of the activities were classified further into four major categories in order to assist analysis.

The categories were:-

1. Service Activities These include activities involving a substantial degree of interaction with non-accounting managers, outside the provision of the usual recurring accounting reports. As well as activities 3 and 4 in Table 5 above this category included the activities of, educating other managers in accountancy, and joint cost reduction exercises.
2. Regular Accounting Activities Requiring Liaison. This included activities which required interaction between accountants and non-accountants but where the interaction arose out of the need to produce regular previously specified data. Activity 1 above was placed in this category along with activities concerned with the periodic production of forecasts and product costs.

The major conceptual difference between categories 1 and 2 is that in 2 the interaction arises out of the need to fulfil routine duties, whereas in 1 it must arise outside of the specified reports at the behest of either party.
3. Book-keeping Activities This category included those activities which were mainly concerned with the compilation and publication of data. The interaction with non-accountants would normally be slight. Activity 2 above was placed in this category along with recording of inter-factory transfer of materials, coding and checking buying orders; designing accounting forms, reconciling management accounts with the

financial accounts, checking wages and salaries procedures, and maintaining capital records.

4. Other Activities This category included activities which did not fall into the above three categories. This includes supervision of accountancy staff, activity 5 above, control and evaluation of capital expenditure, quoting for contracts, development of financial planning, secretarial duties, and liaising with the computer department.

The categorisation above is subjective. In order to try and make it a little more rigorous, three attempts to categorise the activities were made. Several weeks intervened between each categorisation. Any activity which on re-categorisation was placed in another category was removed to that of 'other activities.'

Summary

The activities which served as a basis for the research into the role of each accountant were deliberately not predetermined in order not to prejudge what the major activities were. However 5 activities recurred sufficiently frequently to identify a set of core activities which could be analysed further. The activities were further classified with respect to book-keeping and service.

CHAPTER EIGHT

THE ROLE OF THE MANAGEMENT ACCOUNTANTS -
EXPECTATIONS OF ROLE SENDERS

General Attitudes to and Stereotypes of Accountants

The research did not contain any direct questions to role-senders asking them for their general attitudes towards accountants. Unsolicited remarks were however common and tended to follow a pattern similar to many of the criticisms labelled at accountants in previously quoted studies. The comments tended to suggest that many of the role senders perceived accountants as being aloof from operations; impractical; secretive; and cold and manipulative in their relationships with others.

(a) Aloof from operations

A frequent allegation made by line managers was that the accountants tended to distance themselves from production operations. Often this seemed to be based on a belief that accountants saw themselves to be of greater status and superiority because of their more hygienic working conditions, e.g. 'Some accountants won't touch the works with a bargepole because they're mucky.' (Role Sender 1, Production Manager)

'There's a feeling that accountants are snobbish - that they don't want to get their hands dirty.'
(R.S. 17, Commercial Manager)*

Sometimes the allegations were based on the line's perception of the staff's superior conditions of service.

*hereafter R.S. = Role Sender

'Not many accountants would opt for the longer hours in the factory and start early in the morning.'

(R.S. 39, General Manager)

The perception of distance was related not only to a lack of interaction but to the mode of interaction when it occurred. Accountants were often seen as representing a different class, speaking a language, reinforced by professional jargon, that made understanding of the accountant impossible for many involved in production. This was believed to be a direct result of accountants attempting to display their superiority.

'Most accountants tend to put themselves on a platform away from the idiom of the shop-floor.' (R.S. 8, Production Manager)

'With some accountants it's impossible to get them to speak to all levels. They think they are God's gift to industry.' (R.S. 7, General Manager)

(b) Impracticality

The above criticism of aloofness was, not surprisingly, attached to a belief that accountants had little understanding of the problems of operating managers, particularly regarding technical matters and industrial relations. Accountants were seen as seeing problems in simplistic terms, and being unwilling to change their views in the light of new information.

'He sees things in black and white like all accountants do. There are so many grey areas in the technical field and he doesn't see this.' (R.S. 14, Industrial Engineer)

'How often do you find accounting information is published which is ludicrous... If they knew enough (about operations) they would know it is physically impossible to get some of the figures.' (R.S. 12, General Manager)

(c) Secretiveness

Beliefs about the isolation of accountants and their inability to communicate were often reinforced by a belief that they were unwilling to do so. The parsimony of information revealed by accountants was often accompanied by suspicions of his motives.

'Accountants are bloody-minded about giving information. It is the ivory-tower syndrome.'

(R.S. 27, Industrial Engineer)

'My early impression of accountants was- well you saw production managers managing a team and delegating. The same for sales. But the accountant always had piles of papers which he'd be screening from you. You come away with a feeling of not being sure what he was doing.' (R.S. 12, General Manager)

(d) Cold and Manipulative

Not only did many role senders perceive the accountants as working in a different climate, but a number felt that their conceptions of reality were different. The accountants were seen as only concerned with data.

'He should see figures not just as figures, but reflections of changes. Not all accountants do.'

The reality is figures to them.' (R.S.32, General Manager).

This suspicion of accountants' inability to relate their data to actual problems was coupled with a fear that accountants were unconcerned or unaware of the effect their data had upon individuals.

'...largely because accountants just operate with figures, not people.' (R.S. 19, Quality Manager)

The accountants were not always observed as being entirely rational and neutral in their compilation of reports. Often they were feared for 'the ju-ju he does on numbers' (R.S. 32, General Manager) which it was believed was used to the accountants' advantage.

'The accountant can always fiddle figures to prove a point.' (R.S. 70, General Manager)

'They toss money around like it's in envelopes so it fits in with the variances they want.'

(R.S. 31, Industrial Engineer)

'Don't all accountants (manipulate information). Accountants are in an ideal position to make figures look good, to help themselves.' (R.S.8, Production Manager).

The general attitudes to and stereotyping of accountants displayed above is not flattering to accountants. Their tenor bears a similarity to some studies of line-^{1,2} staff conflict and some of the previously mentioned reports of conflict between accountants and other managers.

The danger of relying on such stereotypes for generalisations about accountants and their working

relations with others is, that like many stereotypes, they may owe more to management mythology and prejudice rather than reality. When the later research data and comments about individual accountants well-known to the role senders is examined, then one finds that the stereotypes frequently do not hold.

It may be that the above stereotypes owe more to past conditions than the present. As the research will suggest it may be that the accountant's role and his ensuing behaviour has changed substantially in the last decade, and that this is recognised and desired by non-accountants. The stereotypes developed above suggest that the non-accountants themselves are somewhat detached from accounting matters and regard its usefulness of being marginal. This is not reflected in later data.

However it may well be true that accountants suffer from unfavourable stereotyping, and that this represents problems in itself which must be recognised and overcome. Stereotypes, even if not justified, can affect behaviour in the organisation, and in designing structures and controls the parties to this must take cognisance of such facts.^{3,4}

The Importance Attached to Management Accountants and their Services by the Role Senders

The previously suggested stereotypes implied that non-accountants perceive the management accountant and his tasks as being of only marginal usefulness to the performance of their own duties. Results from the research

show such a conclusion to be false.

This is marked in the responses regarding the influence of the accountant discussed in later chapters.

The importance managers attached to the activities of the accountant, (presented and discussed later in this Chapter), does not suggest that non-accountants regard them of little value to themselves. The conclusion developed later, that non-accountants desire the accountant to extend his role, is evidence that they regard the accountants' services as an integral aid to their tasks.

It may be that attitudes to accountancy controls have changed.

'There's a great wakening up in the line. They're realising that they must understand management accounting.'
(R.S. 59, General Manager)

The decisions confronting many managers have become more complex. Short-term departmental goals may no longer be the major decision-making criteria. Instead decisions may have to be made on the premise of overall organisational goals. In order to make such decisions managers seek a wider range of information, of which financial information is a vital part. The comment below illustrates this.

'If I went back ten years the financial control was buggier all... now we know how it's compiled and how it fits together... The old production man was only interested in hiring and firing and getting things through the gate. Ten years ago I would have said differently. We were half-trained. (Our present

accountant) has trained us.' (R.S. 44, Production Manager)

As the above quotation suggests, many managers have received training to help assist them in their changing tasks. Training in the usage of management accounting controls is often a substantial proportion of such courses. This may have helped break down some managers' resistance to using such controls when this arose out of their lack of understanding. It has also served to raise the expectations of managers regarding management accounting services.

'Now the company goes to a lot of trouble educating managers. They spend a lot of time on management accounting. When you come back you are full of high expectations and you want to be involved more and more. I find accounts interesting... But if we don't solve our problems quickly I shall say 'Fuck it' and come out with the same old cliches of my predecessors - revert to ignorance.' (R.S. 11, Factory Manager)

The latter part of the above comment reveals the dilemma which recurs in the research findings, that managers' general acceptance of accounting controls is frequently great, but the data and services they receive from the accountants are not of sufficient standard and form to meet these expectations. The problem is probably how the accountant can and should cope with these increased expectations, rather than how he can convince non-accountants of the legitimacy of his role, techniques and data.

Importance Attached to the Activities of their
Accountant by Role Senders

Each role sender was asked how important each activity was to the tasks of themselves and their accountant respectively. The accountants were similarly asked how important each activity was in relation to his job as a whole.

Below are the mean scores of responses, which were scaled 1 to 4, with 1 representing 'not at all important' through to 4 which represents 'very important.' A more detailed presentation of the questions, scales and responses are contained in Appendix A, Section J, Question 1, and Appendix B, Section C, Questions 2 and 3.

TABLE 6

Importance Attached to the Activities of the Accountant

		Importance to the accountant of an activity as perceived by:-		Perceived importance by role senders of an activity to their own task
Activity No.	Description	Accountants	Role Senders	
		mean scores ¹		
1	Preparation of budgets	3.87	3.82	3.88
2	Production of budget results	3.80	3.87	3.76
3	Special projects	3.79	3.59	3.57
4	Liaising	3.73	3.79	3.69
5	Stocks	3.87	3.68	3.32
6	Other service acts.	3.62	3.37	3.53
7	Other regular reporting duties requiring liaison	3.50	3.50	3.45
8	Other book-keeping acts	3.00	3.54	3.10
9	Other activities	3.67	3.49	3.09

¹ possible scores ranged from 1 to 4. Higher scores indicate greater perceived importance.

The general conclusion drawn from Table 6 is that role senders attach considerable importance to the bulk of the accountants' activities. The modal responses to how important each activity was to the role senders was the highest possible (very important) for each activity bar number 9. A similar pattern of responses came from their assessment of the various activities' importance to the accountants' tasks. Generally they were more likely to see the book-keeping activities as being more important to the accountants' rather than their own tasks.

The high importance attached to the two activities relating to budgeting reflects the role senders' acceptance and usage of this control. Very few saw budgeting as of little use to their own tasks. Generally the service activities were perceived as being very important.

The Conception of the Accountants' Role by the Role Senders

Role senders were asked to give a brief description, in their own words, of how they saw their accountant's role (Appendix B, Section B, Question 2). Their responses verify the general acceptance of all of the accountants' activities. Most role senders mentioned compilation of budgets and other financial data as a major aspect of his role. Few however, restricted his role to one of book-keeper or compiler and provider of information. They saw a major part of his role as being involved in giving financial advice and contributing to the policies and day to day management of their sector.

'His job is more than merely advising. He must put in policy and keep us on the ball with regular statements on policy.' (R.S. 6, Industrial Engineer)

'I see him as the chap who tells me how I am doing in financial terms. He tells me where I am going wrong. I see things in technical terms. He brings a different viewpoint on the same problems.' (R.S. 11, Factory Manager)

When the more detailed comments and data regarding role senders' expectations for the role of the accountant are examined one finds the same pattern. The role senders do not question the validity of the accountant extending his role in the service activities, but rather question his failure to do so sufficiently.

Role Conflict-Time:Role Senders' Desired Changes in the Focal Roles' Allocation of Time to Each Activity

TABLE 7

Mean time change desired in each activity

Activity Number	Description of activity	Mean scores ¹	
		Role senders	Focal roles
1	Preparation of budgets	0.30	0.27
2	Publication of budget results	-0.02	-0.07
3	Special projects	0.79	1.00
4	Liaising	1.18	2.20
5	Stocks	0.31	0.38
6	Service Activities	1.31	0.75
7	Routine data activities needing liaison	0.00	0.60
8	Book-keeping activities	-0.32	-0.30
9	Others	0.21	0.42

¹ Possible scores ranged from -3 to +3. Negative scores represent less time sought. Positive scores represent more time sought.

Role Conflict-Time

Each subject was asked how much more or less time he would like the focal person to spend on each activity. The responses were scored from -3 through 0 to +3 depending on how much more or less time the subject desired to be spent on that activity. The mean scores of these responses are given in Table 7. Greater detail of the questions, scales and responses are contained in Appendix A, Section J, Question 1 and Appendix B, Section C, Question 4. The means give a rough indication of the trend of responses, i.e. a negative mean indicates a common desire for less time to be spent on that activity whereas a large positive score indicates a widespread desire for more time to be spent on it. The modal response for both sets of subjects was no change in respect to each activity bar numbers 4 and 6, where the modes were +2 (somewhat more time).

The general conclusion drawn from the responses of role senders is best summarised by a comment of one, 'I'd like (the accountant) to have more free time with me. I'd like to see him do more on the job rather than frigging about with figures.' (R.S. 12, General Manager)

The only negative mean scores are for the book-keeping activities (2 and 8). The negative score on activity 2 would have been greater had it not been for some subjects seeking more time here; but not on the book-keeping elements of the activity, but on liaising aspects, in particular the accountant checking out results with role senders prior to their publication.

The activities in which the role senders sought the

greatest increase in time spent on them were the three service activities (activities 3, 4 and 6).

A more detailed consideration of these results is presented later in this chapter.

Role Conflict - Activities

TABLE 8

Mean Scores for the Extent of Change Desired in the Manner of Performing Each Activity

Activity Number	Description of activity	Mean scores for change in the manner of performing each activity ¹	
		Desired by Role sender senders	Perceived by Focal roles
1	Preparation of budgets	0.97	1.53
2	Publication of budgets results	1.14	1.47
3	Special projects	0.67	0.57
4	Liaising	0.78	1.20
5	Stocks	0.83	1.25
6	Service activities	0.88	0.50
7	Routine data activities requiring liaison	0.64	0.90
8	Book-keeping activities	0.88	1.00
9	Others	0.83	1.27

1. possible scores ranged from 0 to 3. 0= no change, 3= very much change

Each role sender was asked whether he wanted the focal role to perform each activity in any way differently from the present manner. The focal roles were similarly asked to estimate the incidence of change sought by their role set in the manner they carried out each activity.

Responses other than 'don't know' were scaled 0 to 3. '0' represents no changes sought. Scores 1 to 3 represent the magnitude of changes, with 3 being the greatest (very different). The method of scaling responses was subjective. It was introduced and persisted with in order to glean some degree of the magnitude of changes sought or perceived.

The modal response for all of the activities given by role senders was 0, i.e. no change sought, though this was a minority response for activities 1 and 2.

Table 8 gives the mean scores of responses for all of the role senders (62) and the focal roles (16). The greater the mean scores then the greater is the general desire or perception of changes. Additional details of the questions, scales and responses are contained in Appendix A, Section J, Question 4 and Appendix B, Section C, Question 5.

An examination of Table 8 reveals a somewhat different pattern of changes sought in the manner of behaviour associated with the activities of the accountant as compared with the time he spends on each activity (Table 7). The activities which provoke the greatest desire for changes are those connected with the budgeting process. The service activities (3, 4 and 6) are around or below the mean for desired changes. When comparing this with the responses for role conflict-time, the suggestion is that the conflict surrounding the service activities is concentrated on the perceived lack of time devoted to them by the accountant, rather than the

manner in which he performs them.

The role senders' responses to the questions concerning the various activities are discussed in greater detail in the following sections.

Activities 1 and 2 - Preparation of Budgets and Production of Budget Results

Previous studies claim that a substantial proportion of managers regarded budgets of little value in performing their function and consequently budgetary control information was not used. Very little evidence was found to support this proposition. Most role senders perceived the accountants' budgetary control activities as providing a very important contribution to their own tasks. Comments such as, 'crucial', (R.S. 59, General Manager) It's a basic pillar to my job. (R.S. 23, Production Manager) If it's not done properly I'm mizzled. (F.R. 3, Transport Manager) are representative of most role senders' evaluation of these activities.

Whether the role senders used budgetary control information correctly, or what effect they put it to was not covered directly in the research design, as the research aimed at concentrating on positions and persons rather than the ends accounting controls were put to.

There were however several indications that managers' attitudes towards budgeting had changed, and that it had become an accepted support for performance of managerial tasks, e.g.

'When we first got this financial system people said they knew best. Now people are willing to say that their

intuitive judgements are not always best or right ... interest develops over time. There's an enthusiasm amongst some like they've got a new toy. It's a scoring system. It has changed my attitudes. It's good that financial information is thrown back at you. It used to be exclusive information. Now there's a healthy dialogue.' (R.S. 61, Industrial Engineer)

Given that nearly all the role senders valued the budget activities highly it is not surprising that most of the desired changes were positive.

The major areas of conflict and desired change were the role senders' desire that their management accountant should:-

- (i) provide more information in a better format;
 - (ii) enable them to have more influence in determining their budgets, i.e. more participation;
 - (iii) have greater liaison with them and spend less time 'number crunching'.
- (i) More Detailed Information

Given that managers tended to regard the budget as a major management tool, it is not surprising its content and format as presented by the accountant came under close scrutiny. Typical examples of desired changes were for the greater breakdown of information pertinent to that manager's responsibilities. The greater use and reliance on the budget led to frequent demands that the accountant produced actuals more frequently and quickly.

Often the desire for such changes came from managers' increasing use of the budget and their attempts to push the technique down the line to foreman level. To do this

effectively many managers felt the format had to be made simpler and easier to understand.

(ii) Greater Influence in Determining the Budget

The greater acceptance and usage of the budget by managers is probably accompanied by a greater desire to influence much of the process. Many of the managers were emphatic that it was they who should prepare the budget.

'We'd like to do the budget preparation ... it's the broader issue of whether budgets are too biased towards accounting matters rather than production matters, It's too much of an accountant's budget at the moment.'

(R.S. 29, Production Manager)

Some of the desire for more influence over the budget preparation was due to wishes to change its content and format. The more common reasons were that managers felt this was necessary in order that budgets be accepted, and that only those closely involved with operations could prepare accurate and realistic budgets.

(iii) A Closer Liaison with their Accountant

It would be wrong to assume that the desire of non-accountants to increase their influence in the budgeting process was accompanied by a desire to eliminate the influence of the accountant, say by reducing his role to the clerical compilation of budget statistics. Some accountants were heavily criticised for adopting such a role,

'I'd like to see his time distributed differently. Investigations into areas of failure might pay us better. I'd like to see him do less accounting and more investigation.'

(R.S. 71, Factory Engineer)

Where accountants were perceived to be mainly involved in the mechanics of data preparation there was an expectation that they should increase their influence by being more active in giving advice and technical assistance to other managers. The involvement of the accountant was often sought in order to bring a different perspective to budgeting decisions. Some managers desired that he play the role of 'devil's advocate' when managers set their budgets.

'I'd like to think that the guys who do the controlling should set it (the budget). Not fix it though. It's the accountant's job to check for this.' (R.S. 35, General Manager)

The desire for greater liaison was not sought simply to assist the non-accounting managers. It was often linked to a belief that by doing so the accountant could widen his knowledge of operations which would assist him in contributing to management decisions surrounding those operations.

'I'd like his staff to be more knowledgeable about the operations they are controlling ... they just pass data through accounts. I want a closer relationship on a day-to-day basis.' (R.S. 70, General Manager)

It was also felt that a closer liaison would enable more accurate and more meaningful accounts to be produced. Some cases felt the accountant was too concerned with the ends of producing the accounts on time, irrespective of their accuracy and value for decision-making.

'There's not enough time spent on talking. I had a bloody great row about this. Accountants put too much

emphasis on getting things out on the right date. Often assumptions are made which cock the whole thing up. Because of this I've scolded people without realising it was a balls-up in the accounts. In the end they had to do it again.' (R.S. 11, Factory Manager)

Virtually no subjects sought to exclude the accountant from the decisions in the budgeting process. The major complaint was that he was insufficiently involved in such decisions, defaulting himself by confining his presence to the accounting office to concentrate on the book-keeping aspects.

Activity 3 Special projects and cost investigations for other managers

Most managers perceived this as an important activity of their accountant. The minority who did not, did so because they had never been exposed to such a service from their accountant, or if they had, they found the service too slow and/or the accountant not sufficiently knowledgeable about their function thus unable to contribute to decision-making. The latter cases often used other staff functions for such services, usually industrial engineering.

Those managers who did want such assistance from the accountant were frequently critical of its existing form. The criticisms were concentrated in three main areas:-

- (i) the absence or slowness of such services;
- (ii) the accountants' inability or unwillingness to extend such studies into implications for managerial decision making;
- (iii) the unwillingness of accountants to initiate such studies.

(i) Absence or Slowness of the Service

A number of the managers perceived a difference in attitude between themselves and the accountant regarding this service activity. They saw the accountant as unconcerned with providing information for problem-solving and over-concerned with recording and maintaining the control systems, regardless of clients' needs.

"He seems to give them low priority. We want them for management decisions. We have different priorities from accounting." (R.S. 4, Marketing Manager)

The difference in priorities was often an interpretation of the slowness of the accountant in responding to requests.

"When I ask for them they are done. But I don't get a fire-engine service." (R.S. 3, Transport Manager)

The immediacy of such a service from the accountant is of vital concern to managers. Requests for projects are usually initiated by pressing needs to make a decision in areas where information is lacking. To seek outside information and assistance is a recognition of this. If the accountant is unable to respond satisfactorily then he can debar himself and his information from this and future decision-making processes.

(ii) The Failure of the Accountant to Extend the Scope of Such Studies

Complaints were not restricted to the speed of response to requests for special projects, but extended also into the manner the accountant performed them. This was nearly always related to the accountant's failure to extend his reports beyond merely quantifying a single prescribed alternative. In addition he was seen as unwilling to add his own judgments

to reports and to involve himself in the necessary decision-making process arising out of the reports, e.g.

'The accountant comes in when someone else has set the scene. They just perform the mechanics on the data and leave it at that.' (R.S. 4, Marketing Manager)

'He should be spending more time on dynamic aspects rather than just getting the information out.'

(R.S. 50, Factory Engineer)

The accountant has a problem in such activities. His training inclines him to a stewardship role and to the adherence to strict accounting conventions. He may see his role as auditing the claims of the managers he serves and in order to adhere to this role he may have to maintain a necessary distance and detachment from his management clients. Where this occurs it is often resented. The other managers perceive the accountant to be part of a team and expect his primary commitment to be to the goals of the team. The checking they see to be a responsibility of higher management. The accuracy of the reports is not believed to be the responsibility of their accountant, but of the team and its head as a whole. This can often lead to strain between the accountant and other managers, with the latter perceiving the accountant as having a lack of commitment to the team and undertaking responsibilities which are not his. e.g.

'I'd like to see big changes here. He's still got a policeman mentality of checking figures rather than making a constructive case for expenditure. He tends to sit in judgment. He should be helping us make the case. He should be more open-minded to savings and presentation of the

figures. He has a tendency to mark data rather than go out and look for possible savings.' (R.S. 60, Production Manager)

(iii) The Unwillingness of the Accountant to Initiate Studies

The last comment is typical of several which criticise the accountant for failing to initiate ideas himself and, importantly, to present them for consideration by a management team.

'If he knew the place better he could tell me what to do. A financial adviser should occasionally tell me what to do. I don't get that...' (R.S. 35, General Manager)

As is indicated in the examination of the liaising activity the accountant was often perceived as being outside the management process, and the management group. This was often resented, particularly as other staff functions serving the line, were not seen to act in a similar fashion and therefore did not present the same problems.

Activity 4 - Liaising

As stated previously this activity provoked the greatest desire for increased time spent on it. Role senders also attached great importance to it. It is clear that as managers accept management accounting as an integral and essential part of their own tasks then their demands for discussion and debate with the accountant increase.

'Without sufficient liaison the budgets are a waste of time. Unless you agree the basis for information then I shall never believe what he puts in his accounts. There's a lot of crap talked about engineers and accountants being at odds in this company. I've been indoctrinated that they

are an integral part of the business - not merely stuffed shirts. Therefore we expect a service. But if things don't improve then I'll go back to being like the rest and say 'Fuck it' and go back to chucking the stuff back into the bin.' (R.S. 11, Factory Manager)

As discussed previously the above role sender refers to the change in attitudes that has occurred towards the value of management accounting, partly as a result of deliberate training. Such managers have an expectation that their rising evaluations of management accounting controls will be reciprocated by an improved service from their management accountant. In particular they seek greater assistance from the accountant and more joint agreements. Their commitment needs to be reinforced by greater participation in the budgeting process. In addition they seek the reassurance of having the accountant at hand to assist in preparation and interpretation. As one senior manager commented.

'I need to be led by the hand through accounts.'

(R.S. 12, General Manager)

Often the accountant is needed to explain the 'jargon' which is contained in his reports.

'The accountants speak Chinese. Only five others can speak this. It's wrong of them to assume the other ninety will learn Chinese. They just won't bother.'

(R.S. 60, Production Manager)

The lack of liaison from the accountant was not confined to informal contacts. Several accountants were criticised for their poor attendance at formal management meetings.

Even when they attended they came under heavy attack for their failure to extend their role further into managerial decision-making. The comments are similar to those made about the previous service activity, special projects.

'He should take a more constructive role. I would like it to be wider. He should be commenting on the accounts. Not just giving figures, but relating it to business aspects. He just sits there until another manager raises a query.' (R.S. 4, Marketing Manager)

'As a controller he should be a decision-maker with others. We should get his point of view.' (R.S. 34, Superintendent)

Where accountants took a more positive role it seemed generally to be admired.

'He's a bulldog - he won't let go once he's got his teeth in. You respect him for this.' (R.S. 6, Industrial Engineer)

It seemed that some accountants had difficulty in adjusting to work in the 'management teams' which several organisations had fostered. In particular their tendency to avoid direct conflict and their inability to be 'constructively abrasive' (R.S. 26, General Manager) was criticised. The style of much of the decision-making was aimed at confronting problems in a direct manner. As one production manager stated,

'There's no bull-shitting or stabbing in the back here - we speak bluntly.' (R.S. 14, Industrial Engineer)

It was a common criticism that the accountant did not

realise that such a style of decision-making sought out the financial perspective, even if it was provocative, for it represented a major consideration for many decisions. As the subject below implies, some accountants seemed to have problems in contributing to the 'creative conflict' that this mode of decision-making provoked.

'We need more personal conflict between the works and accounts. At the moment they simply make analysis of returns. They don't assist analysis by managers.

(R.S. 1, Production Manager)

The reason for this tendency of the accountants is not clear, but it is possibly due to their limited knowledge of other management functions, which may be exposed in such debates.

Some of the managers believed greater liaison would improve the accuracy of accounting data. Much of the accounting data emanates from the non-accounting departments. It was the belief of several managers that greater liaison would help eradicate many of the clerical errors that occurred in the two-way flow of information.

'It helps iron out the wrinkles and fiddles.'

(R.S. 59, General Manager)

'More liaison would cut out many of the problems. Lack of understanding is the biggest. My people guess and make mistakes - for example in coding. If they knew who to ask and they knew each other then I'm sure this wouldn't happen so often.' (R.S. 13, Production Manager)

Activity 5 Stocks

Generally questions and data concerning this activity reveal little of great interest bar a concensus amongst role senders that stock control lay outside the province of the accountant. 'It's nothing to do with him. His people merely adjudicate at stock time.'

(R.S. 1, Production Manager)

The job of control was clearly seen to be that of line management. The accountant's contribution was seen to be limited to valuation, assisting at stock-taking and maintenance of records. "His part is vital. His job is to feed us the information. Production will do the control." (R.S. 6, Industrial Engineer)

There was no indication in the study that this gave rise to any conflict. Any changes that were desired were nearly always to technically more superior systems of stock-taking and control.

Activities 6, 7 8 and 9 - The Remaining Activities

Study of the data concerning these activities reveals a trend indicated in the previous activities. Where book-keeping activities existed (Activity 8) there was a desire for the accountant to spend less time on them.

'I wouldn't expect the accountant to be so involved in paperwork. He has a tendency to do this.' (R.S. 11, General Manager)

In addition there was a desire for him to spend more time on purely service activities (Activity 6) and

extend his role further by undertaking more investigations and provide more education, e.g. in one organisation the accountant had a formal responsibility to undertake joint cost-reduction exercises. The reactions of the line to the accountant having such a specific responsibility were favourable.

'We should be doing more of this day in and day out. It gets the boot stuck in. It stops us in our tracks and makes us think about what we are doing.' (R.S. 51, Production Manager)

Not surprisingly the wider involvement and distribution of accounting data led managers who had difficulties in understanding accounting data to desire a greater involvement of the accountant in education.

'Most of my subordinates are in the dark here ... they need to know the system and derivation of costs ... We just get answers on costing like the Oracle of Delphi. We need a wider dissemination of information and to get away from the accountancy mystique.' (R.S. 27, Industrial Engineer)

Though attempts by accountants to provide an educative service were appreciated and often accompanied by demands for more time to be spent here, a substantial proportion of managers, whilst recognising the need, queried whether the accountant was the person best fitted to the task. They tended to prefer an external training agency to undertake such work.

Role Conflict - Stylistic Changes

Each role sender was asked to identify the personal characteristics they would look for in their accountant. They were then asked to what extent the present occupant of the position possessed such traits. This represented an attempt to measure role conflict surrounding the attributes of accountants.

The results were somewhat disappointing. The responses tended to be rather hackneyed. Frequent replies were 'an ability to communicate' (R.S. 22, Production Manager) and have sound interpersonal relations with others. The replies were more guarded than those relating to the accountants activities, in particular where it came to assessing their own accountant. In addition the problems regarding the accountant were rarely seen as problems arising out of his personal qualities and quirks. For these reasons a detailed analysis of these responses was not made.

The only recurring criticism was of the accountants' failure to fully participate in managerial decision-making. Some of the criticism was directed to his inability to communicate, 'he can't convey the meanings of figures to non-accountants.' (R.S. 3, Transport Manager) But more usually it was aimed at his unwillingness to extend his role into commenting and contributing to operating management.

'He's very insular. He's not much of a team man. Recently we undertook a management game. We found we needed him, but he only seemed concerned with his own job. He tends to abstain from meetings.' (R.S. 55, Works Engineer)

'I'd like to see him more assertive and respond to arguments. He gives the impression that he backs off an argument.' (R.S. 13, Production Manager)

Where the accountant was perceived to play a more active role it was nearly always welcomed.

'He won't let me kick him around. I appreciate this.' (R.S. 30, Superintendent)

Contrary to expectations I found no example of line fears of staff control from accounts. Generally, as indicated, the major source of conflict arose from the accountants' perceived failure to be more active and influential in line decision-making.

Summary

The results above indicate that the bulk of managers have expectations of a service role for their management accountant. It is where these expectations are not met that much of the role conflict occurs. In such situations much of the conflict is caused by managers perceiving the accountant as behaving according to the characteristics outlined for a stewardship role with one important exception, that of identifying with and seeking to gain influence with higher management. The accountants were generally perceived as being neutral in respect to trying to influence parties within the organisations. Their passiveness in influence attempts, particularly through the medium of lower level management meetings was heavily criticised.

CHAPTER NINE

THE MANAGEMENT ACCOUNTANTS AND THEIR ROLE

Sent Role Conflicts

Each management accountant was asked to assess perceived sent role conflicts for each activity. The relevant questions, scales and mean responses are contained in Appendix A, Section J, Question 4. Summarised mean responses are contained in Table 8. An examination of this Table shows the focal roles' assessment of sent role conflicts to be somewhat greater than the corresponding aggregate of role senders' sought changes. This might be expected, given that only part of each focal role's role-set was included in the study.

The pattern of mean responses of the focal roles was similar to that of the role senders in that the two budgeting activities provoked the greatest conflict. The service activities 3 and 6 were associated with lower degrees of conflict by the focal persons. In general, the qualitative and quantitative data suggests that the focal persons perceived with some accuracy the expectations of their role set and the conflicts they provoked.

It was also attempted to assess the degree of inter-sender and intra-sender conflict perceived by the focal persons. The questions on intra-sender conflict (Appendix A, Section K, Question 4) yielded little of substance except that this did not seem to be a major source of conflict.

The questions on inter-sender conflict (Appendix A, Section K, Question 5) revealed no major inter-sender conflicts except in the cases where the accountants were decentralised hierarchically with a remaining 'dotted line' link with a senior accountant in central accounts. This is discussed in Chapter 12 in the section on structural relationships.

The Management Accountants' Perception of Their Role General Role Perception

Each accountant was asked to describe his role in a few simple phrases (Appendix A, Section B, Question 1).

Three of the twelve accountants defined their role in terms confined to book-keeping and information provision, e.g.

'My primary task is to serve Head Office with monthly profit and loss accounts and to supply them with financial information.'
(Focal Role 3)

This minority of accountants studied, who revealed their role to be primarily scoring and book-keeping, as this and later questions revealed, were associated with the highest scores on role conflict from role senders. Much of this conflict was attributable to managers' disagreement with the accountants' limited perception of their role.

The remaining accountants described their role in wider terms which included reference to many of the service

activities e.g.

'One word-catalyst. My primary function is to express in financial terms the actions of the various units of production and to make sure they talk to one another. It's a kind of liaison function'.(F.R.2)*

'What I try to do is to interpret the accounts to management and try to assist them on the financial front in making their decisions. I take them through routine cost information trying to show them why they've gone wrong and how'. (F.R.12)

These and similar responses indicated that the service activities were perceived as major aspects of their role. This was reflected in responses to later questions, particularly those asking them to assess the importance of each activity, how they would like to reallocate their time amongst their various activities and how, if it were possible, they would like to redesign their role.

The Accountants' Perceived Importance of Their Activities

Details of the questions, scales and mean responses of the questions asking the focal roles to evaluate the importance of the various activities are given in Appendix A, Section J, Question 2. A summary of mean responses is contained in Table 6.

*Hereafter F.R. = Focal Role.

Given the role conflicts indicated by the role senders and the impression left by the literature survey, it might have been expected that the accountants would put the book-keeping activities as being more important than the service ones. This was however not so. As Table 6 indicates, the converse was more the case. Activities relating to the budget were rated as the most important. This was the same as role senders did. The accountants rated the liaising activity nearly as highly. The two other service activities were given even greater importance than did the role senders. The accountants put the book-keeping activities as similarly, or possibly even slightly less important, than did the role senders.

There was no evidence from these responses that the accountants discounted the importance of service activities in order to concentrate on the more routine book-keeping ones.

Person-Role Conflict-Time

An attempt to discover the preferred role of the accountants was made by asking for each activity how much more or less time they thought should be spent on it, (Appendix A, Section J, Question 1). The means of the responses for each activity are given in Table 7, and in the Appendix.

Again the pattern of responses by the focal roles was similar to those of the role senders. Slightly less time was desired to be spent on the book-keeping activities and more time on the service ones.

The role senders were particularly critical of their accountant's lack of liaison, yet this is the area where it was particularly marked that the accountants wished to spend more time.

The Accountants' Idealised Role of Management Accountant

Each focal person was asked how he would alter his role if he were free to do so, (Appendix A, Section H, Question 6). The responses could be placed into two major categories of desired changes; alterations to the work-flow and a greater involvement and influence in decision-making.

The alterations to the work-flow which were sought were of two types; more computerisation and a more even flow of work. These are examined in greater detail later in this chapter.

The accountants who wished to extend their influence and involvement (50% mentioned this) saw this occurring in two ways; by greater decentralisation of decision-making; and by greater involvement in management decision-making groups. The two are not, of course, mutually exclusive. For example, two of the accountants wanting greater decentralisation saw it in the context of the whole work unit rather than simply the accounting function.

'I'd like the unit to be a small self-contained one. It would give me a controllership and would give me and the division more say in what happens'. (F.R.2)

'I'd like to be more self-accounting. Each region should be a company - each would be more of a controller of its own information. It would also be a smaller firm where I saw everything up to final accounts'. (F.R.1)

The desire for greater involvement in management decision-making is consistent with the accountants' previous responses that indicated a desire for greater involvement in the service activities, e.g.

'I'd like more time to think and to spend in the factory with budget-holders and to meet them more regularly on a formal basis'. (F.R.9)

'I'd like to get away from number crunching and be involved more in policy with the management team'. (F.R.7)

From the above analysis of the accountants' perception of their role it became apparent that for the bulk of the accountants studied the question to be asked was not 'Why do the accountants perceive their role differently from non-accountants?', but rather, 'Why do the accountants perceive their role similarly to non-accountants yet are unable to fulfill the expectations of both themselves and the non-accountants?'

Factors Affecting the Accountants' Perception of Their Role Expectations of Role Senders

A major determinant of a person's conception of his role is the expectations of others. This has been discussed earlier and is a central assumption of the research. It has been claimed in the previous chapter that the role-sets of the accountants tended to hold expectations of a service role for their accountant. It would be expected then that the accountants would react to such expectations by conceiving their role similarly.

However, as explained earlier, the focal person is also a determinant of how he conceives his role. The research found evidence to suggest two factors affecting the accountant's role conception; his sources of satisfaction in accounting roles, and his career intentions. These are both discussed below.

Sources of Satisfaction for Accountants as a Determinant of Their Desired Role

The desire for the accountants to extend their role by providing more service may be based on a realisation of material advantages to themselves and the organisation by improving other managers' usage and evaluation of accounting information by allowing greater participation and improving the quality of data. These points are developed in later chapters.

However a major factor influencing how the accountants wished to see their role develop may lie in a desire to increase their job satisfaction by increasing the elements they find most satisfying.

For a minority, 3 in all, the same three who saw their role primarily as book-keepers, the major source of satisfaction was derived from the book-keeping element.

'I've always enjoyed playing around with figures. It's like doing a crossword, you get a similar sort of satisfaction from completing it.' (F.R.11)

For the remaining accountants however, this element of the job was at best regarded as an unavoidable part of their task. The major satisfactions were drawn elsewhere,

'I wouldn't want a job on the financial side, just working with figures. I wouldn't want to be sat behind a desk all day.' (F.R.12)

'I don't want to go much further here as I would have to go to Head Office which would be just figures. Here I deal with people, not names.' (F.R.1)

For these accountants the major source of their satisfaction was derived directly from their association with other departments, particularly production. Such satisfactions were derived from three major elements; i) an involvement with people; ii) greater involvement with managerial decision-making; iii) an ability to see and

associate with a finished product.

- i) For many of the accountants interacting with others was a major source of satisfaction.

'I enjoy working with people and meeting them'
(F.R.1)

- ii) Directly associated with this was a desire to be more involved in managerial decision-making as part of a general management group.

'I like being able to say where people are going wrong and helping them take action on their variances' (F.R.5)

'The most satisfying aspect is being involved in policy and decisions within the factory - - being aware of their problems and participating in them' (F.R.9)

'I'm pretty happy with the job now as it is becoming so close to production. I'm part of the production team. (If I were to be promoted) it's one step away from the factory - away from the results. I like to feel part of production'
(F.R.6).

- iii) As the last statement indicated, being associated with production was a positive source of satisfaction, and this was not just due to a greater involvement in decision-making but also to being able to see a finished product. For the majority of accountants production of accounts in themselves did not provide sufficient meaning to their role.

'I like to see the beginning, middle and end of everything. I've got this here. You start with paper and end up with printed wrapper. You can see something. I like to understand a job. Why and how you do it. I couldn't stand just filling in forms. I don't want to be just doing a job but contributing to people as well' (F.R.7)

'I would never do a job just producing figures and not meeting people. Being a cost accountant means I must get off my behind and into the factory. If necessary to get my hands dirty and see how a job is done. The financial accountant does not see the muck and sweat of industry' (F.R.10).

For the majority of the accountants studied, the major satisfactions gained from their work were drawn from the service activities which were derived externally to the accounting department. The book-keeping activities were merely a means to this end. Indeed, as is discussed, at the end of this chapter, in so far as they are related to the accounting technical system they may be a negative source of job satisfaction.

Career Intentions and Sources of Identification as Determinants of Role

Each focal person was asked questions regarding his future career development (Appendix A, Section C). Analysis of the responses suggested that career intention may be a major determinant of role, though any generalisation is difficult from such a small sample.

The three accountants who perceived their role in book-keeping terms and who derived their major of satisfactions from the book-keeping activities all sought to be promoted to financial accounting positions in the central financial accounts at their respective Head Offices. For this minority it was clear that their major source of identification was the personnel in the central accounting function, and it was their needs and expectations which influenced these focal persons' role conception.

However this explanation cannot be extended to the remaining accountants who showed a strong desire to extend their role and, as indicated previously, had a strong identification with the line. It is interesting to note that their career intentions differed somewhat from the 'book-keepers'. Nearly a half (4) indicated no desire to change jobs due to their age and/or satisfaction with their present position. Another four indicated that if they were to change positions then it would be into general management, either permanently or temporarily.

'I wouldn't say no to a spell outside accounts in production management ... there's a need for accountants to be not just accountants and stay accountants. The most valuable experience is outside accounts' (F.R.9)

'You can be promoted to your level of incompetence. I don't see myself as a Group Chief Accountant. I'm too weak in City aspects and I don't care for the admin.. I've engineering in my blood. They can't kid me in

the factory. I know machines and how they work. I see myself in manufacturing. I can't see myself expanding unless it is as a general manager. I don't want to go up the financial tree' (F.R.10)

The remaining two accountants expressed a desire for promotion within accounts but expressed regrets that it would take them away from production.

The above supplies tentative evidence, that the way a management accountant interprets his role may be partly determined by his desired career progression and the principal departments he identifies with, i.e. production or financial accounting. These in turn may be strongly determined by the particular features of the management accountant's role which most satisfy its occupant.

Reasons for the Management Accountants being Unable to
Fulfil a Desired and Perceived Service Role

Role Specificity and Ambiguity

Each accountant was asked how he knew what to do in his job, to what extent did written documents determine his activities and what was the extent of his ability to determining his own responsibilities, (Appendix A, Section E). The aim of these questions was to try and discover further what factors determined the role of the accountant. In addition each accountant was asked questions relating to role ambiguity (Appendix A, Section F).

It was clear from the responses that a major determinant of the role was the written documents relating to the book-keeping activities e.g. work schedules, manuals, computer input timetables. The book-keeping activities were highly specified.

The other activities however, especially the service activities, frequently lacked any formal definition or specification. Their discovery and performance was left very much to the initiative and discretion of the accountant and/or his response to expectations sent by members of his role set.

The following responses to the questions concerning ambiguity and specificity illustrate the above points.

'Certain parts of my job are clearly laid down. I must prepare operating statements monthly and certain other information monthly otherwise I've a carte-blanche. If there's any other area I wish to be involved with I do so with the permission of the works manager... Some accountants could just keep the books and leave it at that' (F.R.2)

'I find out what I have to do by hunch. We have deadlines and sorts of information which has to be fed through - otherwise it just grows like Topsy the timetable helps keep you on the right lines' (F.R.3)

'There's a job description which states certain things especially regarding accounts. The rest is common sense..... it's up to the individual - self-motivation.' (F.R.9)

' I can determine my own responsibilities a heck of a lot, providing, we meet the timetable'
(F.R.5)

'Obviously the needs of providing management information and management accounts sets limits. I could opt out of the rest - it's up to me. It's a case of a willing horse - if you accept responsibility then it's O.K.'
(F.R.4)

From the above it can be seen that the tangible procedures which the accountant has to do have considerable definition. In contrast the less tangible service activities rarely are so defined. Their fulfilment depends considerably upon the motivation and inclination of the accountant. Yet such activities have great importance attached to them as noted previously. However their lack of definition and tangibility makes it more easy for the accountant to neglect them, particularly in preference to concentrating on the book-keeping activities which are highly specified. In addition because of their tangibility and specificity any failure to meet the requirements of the book-keeping activities is quickly apparent to superiors, whereas neglect of service activities is much less likely to be noticed as speedily, if at all.

The Effect of the Accountancy Technical System

It is usually assumed that role behaviour is determined from set expectations of the role set. However, as

implied above, a major determinant of the behaviour of the accountant was found to be an impersonal entity, the accounting technical system. It was evident that the demands of this system, its deadlines, requirements of set data, standard presentations and codings, and its requirements of accuracy rigidly defined much of the accountants' role behaviour. Outside the system requirements the accountants' activities lacked definition.

The accounting system itself was perceived by accountants to be a major source of stress. Only one of the accountants did not complain of a degree of stress emanating from his task. Only two of the accountants believed that their job was less stressful than that of other managers. In all the reported instances of stress bar one it was attributed to the accounting system.

'It's the time factor. Accounts have to be met by certain dates' (F.R.2)

'It's working to a timetable. It's a strict timetable which must be kept. Results must come what may. Data is always coming in and deadlines to be met' (F.R.1)

'Others don't seem to have the deadlines to meet. We've always got to keep going to get things out on time' (F.R.7)

'It's getting the accounts out on time. I sometimes have dreams that I'm being buried by piles of paper' (F.R.5)

'I'm learning to live with it (the stress) particularly the meeting of dates. I used to worry a lot. I'd take home problems and wake up at night and generally be irritable' (F.R.8)

'If a crunch comes in the factory they can have an investigation to find the reasons. Once it's done it's finished. But with accounts they still have to be done accurately or you're looking at work piling up for the future. The accountant can lose nothing. He can't forget or accumulate work. Our problems stay with us longer and our mistakes are published. Any delay and Head Office is on our back' (F.R.10)

'I'm aware that other managers don't have my pressure. They've not got the four weekly cycle and such tight timetables. They can work office hours, clear their desks and then go home' (F.R.6)

When the accountants were asked how they would like to alter their job in order to make it more satisfying for themselves, a frequent response was to have a more even flow of work with more flexible deadlines.

In many ways the stress produced from the accounting system has many similarities to that produced by assembly-^{1,2,3} line work. The accountant is unable to control his workspace because of timetables and deadlines and in addition he is unable to control inputs to the system i.e. data sheets, invoices etc. The rigid definition of cost codes and formats means that this aspect of his work is highly specified and predetermined. In addition the interaction

surrounding purely book-keeping activities is relatively low.

As indicated previously the end result may lack meaning, particularly if the accountant is detached from production. Many of the accountants stated a desire to work in smaller firms where they would see more of the total activity, not only in production, but also regarding accounting.

'Here I'm a cog in a machine I've always wanted to work for a small company, where I could see the whole system. With all the debits and credits on a manual system. It's rather naive' (F.R.1)

In some instances, as above, the statements remind one of the assembly-line workers' fantasies of owning a small business.²

It is clear that the accountant undergoes stress, as, a result of the technical system. The stress is mainly cyclical at monthly and yearly ends. As has been shown earlier the activities here are defined tightly. However the service activities are not so defined and are expected to be performed in the troughs between cycle peaks. The result of the tension from the peaks may mean that the accountant, consciously or unconsciously, may regard the time in the troughs as a period for recovery, thus neglecting the service activities, e.g.

'The accountant tends to want to sit and just

turn out piles of figures. He tends to relax when they're done. He's so relieved at getting the figures out. He should go out and make sparks fly from the figures in out-of-the-way places - in other managers' offices' (F.R.10)

Given the weighting of book-keeping activities as opposed to service activities with regard to definition and tangibility of results, it is clear that the accountant will invariably concentrate on the latter.

'The problem is time, when I've got such a tight timetable. Special projects get you out of your own patch and widen your horizons. But if I don't produce the accounts in time these must be forgotten.' (F.R.6)

The low definition of service activities in relation to book-keeping activities allows neglect of the former.

'The accountants spot is the easiest here to be lazy in by hiding behind the rule book' (F.R.4)

A harsh criticism, but perceptive in its realisation of the influence of the formal procedures.

Variations in the Technical System

In the earlier chapters it was stated that the technology of the organisation might be a major influence on the role of the accountant. This was not however specifically investigated in the research. Nor was it

apparent in any cursory examination of data.

However the accountant's own technical administrative system for producing data may be a major influence. In the cases where computerisation of accounts seemed advanced and the system seemed to work effectively the role conflict surrounding the accountants was lower due to the accountant providing a greater service role. Unfortunately no data measuring computerisation of accounts and system effectiveness was collected. The advent of effective computerised accounting systems may however be a major factor influencing the role of the accountant. Where such changes have taken place, then the book-keeping activities and the demands of the work flow may be less significant, allowing the accountant greater time to develop the service activities.

Decentralisation or Centralisation of the Accountant

The accountant may be more likely and feel more able to play a greater service role where accounts are decentralised geographically and/or hierarchically. This will be discussed in the next chapter.

Summary

Most of the accountants desired to extend their role further into service activities and reduce the time spent on book-keeping activities. The remaining minority preferred their role to be one of book-keeping. The preference for either was determined partly by the activities which gave the accountant greatest satisfaction and partly by his

preferred career progression.

The accountants who sought to extend their role further into service activities seemed unable to do so because of the specificity of the book-keeping activities whereas the liaison activities frequently lacked formal specification and had a degree of ambiguity attached to them. In addition the accountancy technical system, with its deadlines, specificity and uncontrollable input was a source of stress at peak times. Consequently the 'off-peak' periods were used as times set aside for recovery from stress, rather than for performing the service activities.

CHAPTER TENTHE REACTIONS OF NON-ACCOUNTING MANAGERS TO THE
TO THE STRUCTURAL RELATIONSHIP OF THE MANAGEMENT ACCOUNTANT

The major independent variable in the research hypotheses in Figure 3 was the structural relationship of the management accountant. It was hypothesised that this would be related to the dependent variable of managers' usage of accounting information. The intervening variables were hypothesised to be the degree of interaction, and the interpersonal conflict and role conflict between the accountant and other managers. Additionally it was hypothesised that these would be related to managers' perception of the legitimacy of the influence of the accountant and the managers' understanding and evaluation of the accounting information he received.

A. Measurement of the Structural Relationship

The degree of centralisation or decentralisation of the accountants was originally intended to be measured by responses of the accountant to questions on structure (Appendix 1, Section D, Questions 1, 5 to 8). In the analysis of data only two measures were used. Question 1, which measured the hierarchical relationship of the accountant, i.e. did he report to an accountant or a non-accountant, and question 6, which measured his geographical relationship, i.e. was he or was he not detached from the main body of accountants and placed alongside the non-accountants he served. Question five was not used in the analysis as responses showed no variation from

Question 1. Questions seven and eight ceased to be asked because their lack of specificity made it difficult for subjects to give a satisfactory response.

With hindsight questions seeking to determine the extent of decentralisation of decision-making powers regarding accounting should have been added. Much of the previous and subsequent analysis is concerned with the effect of managerial decision-making on the accountants' role and their controls. One of the major concerns of managers was the extent to which they could influence management accounting control systems with respect to such things as the speed of information, and the format and content of reports. An accountant may be decentralised hierarchically and geographically, but if his new superiors, non-accounting managers, find that the remaining central accounting unit retains many of the decision-making powers over the management accounts then much of the philosophy of decentralisation is likely to prove spurious and conflict will remain between central accountants and other operating managers. Such problems arose, as will be discussed later, but unfortunately the research methodology did not measure the effect of varying delegation of decision-making powers concerning accounts.

Where the accountant was decentralised hierarchically there was always some 'dotted line' or functional relationships remaining to a hierarchically superior accountant in central accounts. In some organisations, as is discussed later, this caused a considerable degree of conflict. It

would have been interesting to have measured variations in the form of this dotted-line relationship to see which forms in particular gave rise to conflict. Again the methodology did not measure this, probably because the question relating to hierarchical relationships was too crude.

No accountant was fully decentralised geographically. Probably this was an unrealistic expectation as any accountant will usually need supporting clerical staff and assistants nearby. Of the twelve accountants studied, six were in what have been called fully decentralised structures, i.e. they reported to a non-accounting manager and their department was geographically situated alongside the other functions which reported directly to that superior. Four of the accountants (all in the same organisation) have been called fully centralised, i.e. they reported to a superior accountant in an accounting hierarchy and they were geographically situated amongst many of the other accounting personnel. The remaining two accountants were decentralised geographically, but centralised hierarchically. These were called partly decentralised.

This led to the construction of a three point scale for structure ranging from fully decentralised, through partly decentralised, to fully centralised structural relationships. The mean scores of responses by each structural type are given in columns A, B and C in Tables 9 and 10.

The significance of differences between the means were obtained by application of the t test.¹ Firstly the responses of role senders in the fully centralised structure were compared to those of the role senders decentralised geographically, i.e. fully decentralised plus geographically decentralised, (Column (i), Tables 9 and 10). Secondly the

TABLE 9

Analysis of Non-Role Data for Role Senders in Varying Structural Relationships with their Management Accountant¹

Variable Name	Structural Relationship of Role senders			Significance of difference between means 2			Correlation with Structure 3	Significance
	(A) Fully decentralised Mean Score	(B) Partly decentralised Mean Score	(C) Fully centralised Mean Score	Fully decentralised to decentralised geographically A + B : C	Fully decentralised to those centralised hierarchically A : B + C	Fully decentralised to fully centralised A : C		
Interaction Talking Seeing	3.00 2.87	3.63 2.75	4.14 4.21	** *	* *	* *	-.31 -.34	* *
Interpersonal Relations Helpfulness of focal role	6.46	6.00	6.21				.18	**
Frank & openness	5.83	6.25	5.93				-.06	
Liking of focal person	5.71	6.25	5.79				-.06	
Believed threat to job	6.04	7.00	6.64		**	**	-.21	**
Appreciation by focal person	4.33	5.25	4.93		***	***	-.18	**
Ability to agree facts	5.87	5.87	6.07				-.08	
Ability to agree decisions	5.96	6.37	6.29		***		-.13	***
Manipulation of data by F.R.	5.62	6.75	6.14		**		-.22	**
Total Interpersonal relations	45.83	49.75	48.00		**		-.20	**
Perceived Influence of R.S. over F.R. its adequacy of F.R. over R.S. its adequacy	1.42 1.21 1.25 1.26	1.50 1.29 1.25 1.00	1.36 1.38 1.29 1.29				.07 -.16 -.03 .02	***
Ac. Report Evaluations Study of ac. reports usefulness of ac. reports	1.50 1.41	1.12 1.50	2.07 2.36	** *	*** **	*** *	-.17 -.35	** *
Slowness of ac. reports	3.87	3.25	3.07	***	**	**	.23	**
Accuracy of ac. reports	4.18	4.25	3.46	**	***	**	.24	**
Relevance of ac. reports	4.67	5.00	4.36	**			.08	
Understanding of ac. reports	4.33	4.50	4.21				.05	
Number of subjects	24	8	14					

TABLE 10

Analysis of Role Conflict Data for Role Senders in Varying Structural Relationships with their Management Accountant

Variable Name	Structural Relationship of Role Senders				Significance of difference between means ²			Correlation with structure ³	Significance	
	(A) Fully decentralised Mean score	No. of scores	(B) Partly decentralised Mean score	No.	(C) Fully centralised Mean score	No.	Fully centralised to decentralised geographically A + B : C			Fully decentralised to those centralised hierarchically A : B + C
Role conflict-activities										
1. Budget preparation	.42	19	.75	8	1.57	14	*	*	-.45	*
2. Budget publication	.69	16	1.57	7	1.42	12	**	**	-.27	**
3. Special projects	.36	14	.50	8	1.00	11	**	**	-.23	**
4. Liasing	.82	17	1.25	8	.50	8			.03	
5. Stocks	.67	12	0	2	1.14	7			-.13	
Total Role conflict-activities	21.92	24	34.37	8	38.43	14	**	**	-.23	**
Role conflict-time										
1. Budget preparation	.32	19	.13	8	.23	13		**	.03	**
2. Budget publication	.05	19	.29	7	-.50	14	**	**	.25	**
3. Special Projects	.37	16	1.00	8	1.39	13	**	**	-.33	*
4. Liasing	1.37	19	1.00	8	1.07	14	**	**	.07	*
5. Stocks	1.07	15	0	2	1.00	7	**	**	-.36	*
Total Role conflict-time	21.58	24	23.00	8	28.21	14			-.13	
Role conflict-stylistic	18.63	24	24.88	8	11.43	14	***		.10	

1 Details of response scales and scores are given in Appendix B
 2 t test
 3 Kendall rank order correlation coefficient

* significant at p < 0.01
 ** significant at p < 0.05
 *** significant at p < 0.10

responses of role senders in fully decentralised structures were compared to those of the role senders centralised hierarchically, i.e. those fully centralised plus those partly decentralised, (Column (ii), Tables 9 and 10). Finally the responses of role senders in the fully centralised structure were compared to the responses of those in the fully decentralised structure, (Column (iii), Tables 9 and 10). Where no result is given then any differences between means had $p > .10$.

The t test assumes the population distributions are normal and of the same variance. However the t test has been demonstrated to be extremely robust with respect to violation of these assumptions.² The t test is also a parametric test requiring internal or ratio scaled data.³ Whilst it can be argued that the scaling techniques used in the research are so, it was recognised that there is a strong counter argument which would class the scales as being of an ordinal nature.

In order to try and meet the above possible criticisms arising out of using the t test, it was decided to also subject the data to analysis by a non-parametric test, which requires no assumptions regarding normal distributions and is suitable for ordinal type data.⁴ To this end the variable of structure was correlated with each of the other variables using Kendall's rank order correlation coefficient. The resulting correlation coefficients are given in Column (iv) in Tables 9 and 10 and their significance in Column (v).

As can be seen from an examination of the results in Tables 9 and 10, the results are similar under each test.

However any interpretation must be further qualified

by the aforementioned problems regarding the independence of the sample arising out of the methods of selecting research sites and which parts of the role set to study.

B. An Examination of the Quantitative Results in Tables 9 and 10 Comparing Centralised Structures with Decentralised Structures

(i) Interaction (Table 9) Hypothesis 4

A research hypothesis (H.4)* was that interaction between accountants and non-accountants would be greater the more the decentralisation. This hypothesis was proven correct in the research as can be seen from Table 9. The relationships between structure and interaction were very significant.

A major cause of the increased interaction in the decentralised organisations was undoubtedly the physical proximity of the accountant to other managers. If they saw each other more then they are more likely to talk to one another. Hierarchical decentralisation may also be a determinant of interaction. The degree of interaction-talking was greater in the fully decentralised organisations than those just decentralised geographically, even though the rates of interaction regarding seeing were similar. Why this should be is not clear. It could be that in the hierarchically decentralised organisations the accountant was more likely to be called to meetings of non-accounting managers, who had more sanctions open to them if he failed to attend. An increase in interaction was also found in the post-change study discussed in Chapter 11, where a slight hierarchical decentralisation occurred with no accompanying geographical change. This result also suggested that hierarchical decen-

*Hereafter H. = Hypothesis

tralisation may be a determinant of increased interaction.

It was hypothesised that the increased interaction arising out of decentralisation would be a major cause of other changes, e.g. lower role conflict (H.8), higher evaluations and usage of accounting information (H.17). Such associations are suggested in Tables 9 and 10, as under decentralisation there is evidence of lower role conflicts and superior evaluations of accounting data, accompanied by greater interaction. When however tests of association for interaction with the other variables were administered the results were contrary to expectations, as interaction was rarely significantly related to other variables other than structure. This is discussed further in Chapter 13. The research offers no conclusive reasons for these lack of associations.

(ii) Interpersonal relations (Table 9) Hypothesis 10

The interpersonal relations scores are of dubious validity. This is examined more in Chapter 13. If one takes the scores and questions on their face value, then the research hypothesis that interpersonal relationships are less inclined to conflict under decentralisation is not substantiated. Only with respect to role senders perceiving the accountant as more helpful were the fully decentralised organisations inclined to lower conflict. In this case the differences are barely significant. In the other instances the fully decentralised organ-

isations were inclined to greater conflict rather than less, e.g. taking the association of the total interpersonal relationships score with structure. (Table 9)

It must be remembered though that no cases of high interpersonal conflict were recorded. The responses were clustered around the scores indicating good or very good interpersonal relationships. While the centralised structures are indicated as having had very good interpersonal relationships, the research also indicates that so had the decentralised structures, though not quite to the same extent.

Very good interpersonal relations may be indicative of an over-harmonious organisation. An organisation without conflicts is probably an unchanging one.^{5,6} As has been previously discussed many of the managers sought more disagreement and argument with their accountant. Generally they sought less harmonious rather than more harmonious interpersonal relationships. Perhaps the decentralised structures were more efficient in moving nearer to this ideal. Some of the high scores for interpersonal relations in the centralised structures may have been due to the lower interaction and fewer joint decisions of some managers with their accountant.

The one thing that is apparent from the results on interpersonal relationships is that it was not perceived by non-accountants as a major problem for them when dealing with their management accountant. The management accountant-client problems cannot be dismissed as arising out of accountants having quirky personalities which render them unable to have satisfactory interpersonal relationships with others. The problems which exist seem to emanate more from factors external to the accountant, e.g. the management accounting control system.

(iii) Role Conflicts (Table 10) Hypotheses 1 and 3

It was hypothesised that role conflicts would be less in the decentralised organisations (H.3), due mainly to the accountant being perceived as playing a greater service role (H.1).

In examining the research data there is no evidence to show that under decentralisation role conflict regarding the attributes (Role Conflict-Stylistic) displayed by the accountant was lower. In fact it was possibly lowest in the most centralised organisation though the significance of any differences is small. This result possibly confirms the above results regarding interpersonal conflict, in that conflict surrounding the management accountant was not a problem lying in personal attributes and relationships.

The hypotheses stand up best to the results regarding conflict over the manner in which the accountant performs his activities (Role Conflict-Activities). All of the tests indicated that total role conflict over the activities of the accountant was least in the most decentralised organisations. Much of this difference in conflict was concentrated in the two budget-related activities. To a lesser extent the accountants' service of providing special projects involved greater conflict in the centralised organisations.

The differences in role conflict surrounding activities which were related to structure were concentrated in those activities where the accountant is providing information to managers, (Activities 1, 2 and 3). Decentralisation in both of its forms, particularly hierarchical, would seem

to lead to role senders receiving this information in a form and manner closer to their expectations. This is discussed in more detail later in this chapter.

Role conflict surrounding the service activity of liaising was however no different between the structural types. The interpretation of this result, assisted by the relevant qualitative data, is that in all of the structural forms the accountants were constrained in their efforts to extend their role into service by the accounting technical system. Simply altering the structure does not seem to relieve this problem. Indeed, it may make it more difficult for the accountant in a decentralised structure, as the conflict surrounding his liaising may be made more apparent to him.

The hypotheses stated that decentralised accountants were more likely to satisfy the expectations of their role-set by playing a greater service role, and conversely there would be greater conflict under centralisation due to their persistence in inclining more to a stewardship role. Consequently one would have expected differences under the varying structures in the degree of conflict surrounding the way the accountant allocated his time to the various activities. This was measured by giving all of the responses seeking a change in time spent on each activity a positive score, whether or not the response was for more or less time. This enabled the magnitude of role conflict-time to be measured for each activity and in total, irrespective of the direction of the desired changes. As can be seen in Table 10 the total role conflict-time index varied little according to structural relationships. Similarly the magnitude of desired time

changes for each of the individual activities showed no significant differences according to structural relationships. Details of these results have not been given due to this lack of any significant data. The general conclusion is that the magnitude of role conflict-time was not different under the various structures.

This does not discount, however, the desired time changes being of a similar magnitude, but in different directions, e.g. under decentralisation role senders wanting more time say spent on liaising and those under centralisation wanting less time. The magnitude of time changes sought could be equal in both cases, despite being in opposite directions. Time change-direction was measured on a scale ranging from -3 to +3. A negative score indicated a desire for less time to be spent on that activity, a positive score more time. With the exception of total role conflict-time, the role conflict-time data in Table 10 gives scores relating to the direction of time changes sought. Some significant results emerged from these role conflict-time scores in differing structures.

In the centralised organisation the role-senders were more likely to respond that they would like to see their accountant spending less time on the book-keeping activity of compiling budgets (Activity 2) and spend more time on the service activity of providing special projects (Activity 3). As in the role conflict-activities responses there were no differences regarding liaising. Under all the structures more time was sought here.

Interpretation of the differences is difficult. The research methodology did not ascertain how in reality each accountant distributed his time over the various activities,

but how each role sender would have liked to reallocate it. It could be that the accountants in the centralised organisation were not only perceived to incline towards a book-keeping role by concentrating on activity 2 to the neglect of activity 3, but that this was based on objective reality. On the other hand it could have been that objectively in all of the structures the accountants distributed their time equally and the differences in scores merely represented differing perceptions of the same reality.

The subjective interpretation based on the supplementary qualitative data was that part of the differences were due to objective differences, i.e. the centralised accountants did spend more time on book-keeping activities and relatively less on the service activity of provoking special projects. However some of the differences regarding activity 2 were due to the decentralised managers being more knowledgeable about the difficulties confronting the accountant, in particular the time demands placed upon him by having to monitor the accounting recording system. In consequence they were less likely to demand that in the short-term he should spend less time on this book-keeping activity, but saw the problem as being longer term, in that he should be enabled to spend less time on this book-keeping activity by introducing greater computerisation.

(iv) Perceptions of Influence (Table 9) Hypotheses 5, 6 and 7

It was hypothesised that the greater the degree of centralisation then the less role senders would perceive their influence over their accountant to be (H.5), and the more they would like it to be increased (H.6). Additionally it was hypothesised that the greater the degree of centrali-

sation then the more they would want the influence of their accountant to be reduced (H.7). It can also be hypothesised that under centralisation the non accountants might perceive the influence of the accountant over their behaviour to be less.

As the results in Table 9 indicate, the responses to the influence questions did not vary according to structure. This may have been due to the fact that the questions were too general and too few. However, as is discussed in Chapter 13, the perceptions of influence were significantly related to other variables. The responses followed a similar pattern regardless of structure. Generally subjects rated both their influence over the accountant and the accountants' influence over themselves highly. In no case was there found to be a desire for the influence of accountant to be reduced. In fact a sizeable proportion of respondents thought it should be increased, i.e. by him being more influential and active in decision-making. Similarly no role sender believed he had too much influence over the accountant. Those who sought more influence over him did not do so in order to curb his influence, but rather to re-direct him to a role where he was more active in decisions and providing services and less confined to his book-keeping activities.

(v) Usage and Evaluation of Accounting Data (Table 9) Hypotheses 13 and 14

It is possible to hypothesise that managers in decentralised structures would have less difficulty in understanding accounting reports because they interacted more with their accountant and he would be more likely to play an educative role. The responses to the question on understanding, given in Table 9, show no significant differences according to the

type of structure. Contrary to expectations few managers revealed that they had major problems in understanding the data they received.

It was also hypothesised that decentralised managers would evaluate the accounting information they received more favourably than their centralised counterparts (H.13), with respect to its usefulness, speed of receipt, accuracy and relevance. With the possible exception of relevance this hypothesis was upheld. In each instance significant differences according to structure were found.

In the examination of role conflict-activities it was stated that the greater conflict in the centralised structures was concentrated in how the accountant provided his information. Therefore one would have expected the centralised managers to evaluate the information they received less favourably. The above results confirm this. The centralised managers' criticisms and greater desires for changes in accounting reports were reflected by their lower evaluations of the data and reports they received.

A major hypothesis of the research was that managers in centralised organisations would study the accounting data they received less than their decentralised counterparts (H.14). This was found to be correct when comparing the managers in the centralised organisation to the other managers. The differences were however not great. This may be due to the fact that managers generally, i.e. regardless of structure, attached great importance to accounting data and reports. Consequently the centralised managers persisted in studying the reports, despite their criticisms and reservations of them.

C. The Qualitative Data on Structure

Role senders were not asked any direct questions about their views on the structural relationships of accountants. In some of the organisations however structural changes were believed to be impending or had recently taken place. In these instances role senders usually had clear opinions on the matter and these were expressed in some length. This qualitative data is believed to be of considerable interest though, as in any case study evaluation, comparisons are somewhat subjective.

I The Recently Decentralised Organisation

The two factory accountants described in Table 2 as 'each serving light engineering factories contained in a subsidiary company of a major engineering company' had been decentralised only nine months previously. The decentralisation of management accounts was part of a move towards the full decentralisation of most of the production services.

The reaction of the non-accountants to the decentralisation of accounts was uniformly favourable. Analysis of the comments reveals that they believed the major benefits to have been; (i) improved accounting information; (ii) greater usage of this information in decision-making; (iii) a breakdown in the stereotypes surrounding the accountants. The comments tend to support the quantitative results regarding managers' higher usage and evaluation of accounting information under decentralisation. They indicated that unfavourable stereotypes of accountants had been broken and interpersonal relations had improved. This may have occurred but their scores for inter-personal relation-

ships were amongst the lowest discovered, though still included towards harmony rather than conflict. The role senders in this organisation were still critical, as elsewhere, of their accountants' failure to extend their role sufficiently into the service area, though they believed this might come once many of the problems surrounding the content and format of reports had been resolved.

Their major criticism with the decentralisation, in common with some of the other decentralised sites, was the remaining relationship of their accountant with central accounts.

This is discussed in more detail later in the chapter.

(i) Improved Accounting Information

Without doubt this was believed to be the greatest benefit derived from the decentralisation. In particular managers believed that having the accountant physically closer had increased interaction and enabled more joint decision-making over accounting matters. As the manager below stated it was felt that the controls had become more relevant to the work in the department and the information fed back was quicker and more accurate.

(Decentralisation)' has brought the accountant down to the works. Now he's in the heart of the works. Not remote. Therefore the information is more meaningful and quicker.

A unit can't operate without accounts, and costings are vital for feedback of information. The centralised function was so remote it was frightening. Production took action before the figures came. Whether it was correct

wasn't known.

This has been an absolute success. The difficulty is to get accounting jargon and objectives reconciled with technical standards. Now we have to sell it to the accountant and justify it.' (R.S. 7, General Manager)

As the last subject implied not only did he believe his own influence on the accounts had increased, but the resulting debate with the accountant was highly valued. Whilst undoubtedly the decentralisation had allowed non-accounting managers to have a greater ability, formally and informally, to determine much of the content of budgets and its format, it would be wrong to assume that they sought to exclude the accountant from this process. Their major aim was to increase the influence of the operating managers to something like parity with the accountant, to ensure the budget suited their needs.

'It works well here. It all depends on how you handle people. We've had our rough moments. (The accountant) has his data and statistics - a black and white picture whereas production see it as a grey area. Now we sit down and thrash it out over the table. Then it is agreed.'

(R.S. 6, Industrial Engineer)

The fact that more areas are open to joint agreement in itself may have led to a greater acceptance and commitment to budgets which is reflected by a greater usage of the control and its ensuing information, e.g.

'Until we were decentralised the operating statements were tripe. A lot of us, including (our boss) and the directors used to chuck them in the bin. Now we're decentralised the information is more accurate and we have

direct liaison. They know more what we are doing and how we work. Before we didn't know who to see for queries.'

(R.S. 13, Production Manager)

The above comment traced the increased accuracy of accounts to the greater liaison. Physical proximity seems to have assisted this. The fact that the accountant and his clerks were now physically near and part of the same department made it easier for queries to be answered and mistakes rectified. In addition non-accountants and their clerks were more able to identify the relevant personnel in the accounts section.

Some of the improvements in accuracy and speed of information may have occurred due to the non-accountants being able to put greater pressure on their accountant. However most accountants are very dependant on others for the quality and speed of inputs into their accounting system. The fact that the accountant and other managers now had a common superior, who became responsible for the accounts, assisted the accountant by supplying increased hierarchical pressure on managers to supply their information quickly and accurately.

(ii) Greater Usage of Accounting Information in Decision-making

As mentioned previously most managers did not dispute the importance of accountancy. Given the relatively depressed economic conditions which prevailed, and the judgement of their results on profitability, this is not surprising. What was often resented by the non-accountants was that previously they did not have access to what they perceived as essential services. In particular they felt

they lacked an accountant to present their case with a knowledge and sympathy for their own operations. Without such a facility the legitimacy and accuracy of accounting controls was disputed and consequently neglected as part of decision-making parameters. Examination of financial criteria or evaluations had previously often been purely defensive; disputing figures rather using them for managerial decisions. With an accountant who was identified with the department, the process of budgeting was beginning to be an integral part of the management process, rather than an imposition from without. This was illustrated by the comments of the general managers.

'My main function is to get a profitable unit. I must get a management team working to the same objectives. Understandable objectives ... down the line to the shop floor ... Now the accountant is in the team here. Now I can talk it over with the accountant. If I did not talk to him then no-one would talk profitability here.'

(R.S. 7, General Manager)

'In the past (before decentralisation) I had to sell cases on reports which now I would throw back to my accountant.' (R.S. 12, General Manager)

(iii) Breakdown of the Stereotypes

The literature survey revealed several studies indicating considerable conflict between line and centralised accountants. A consequence of such conflict is often stereotyping by one party of the other and a lack of trust surrounding each others' actions. Some studies often recommend decentralisation as an aid to overcoming this problem. In the one centralised organisation studied there was no strong evidence of such conflict. However in the

previously centralised organisation such evidence abounded. The following quotations are examples of this. It was generally felt that decentralisation had helped reduce this conflict and stereotyping and as a consequence the information had improved.

'An accountant is in an ideal position to make figures look good to help themselves. A great advantage here is the decentralisation. It brings people like the accountant into the works. It helps knock them off their pedestal. Now they have become more practical rather than theoretical.'

(R.S. 8, Production Manager)

'I never thought I'd be saying such nice things about (the accountant). I used to think he was an obnoxious sod - interfering and prying from the centre. Since decentralisation there's been a big improvement. Now he's one of us. It goes for most of the others too. We used to hate his guts. It was partly tied in with him being from the centre. We might be equal in rank - but we always think that they think they are superior.'

(R.S. 14, Industrial Engineer)

Stereotyping is always more likely to occur where interaction is lower.¹¹ In addition central staff functions are invariably viewed with suspicion by line management.¹² As stated previously stereotypes about accountants being impractical and abusing their power are common. Clearly the above statements imply that stereotypes had been broken down by decentralisation.

The accountant has a problem that most of his data comes from non-accounting departments and personnel. The provision of such information is frequently resented, particularly where it is felt that the accountant is 'telling

tales' to higher management and such information may be used against the interests of the supplying parties. The advantage of decentralisation hierarchically is that the accountant is no longer perceived as 'master-spy...at the centre' (R.S. 14, Industrial Engineer), but as part of the operating team and presumably committed to the success of that team. As one respondent stated. 'Now he sinks in the shit with the rest of us.' (R.S. 14, Industrial Engineer)

The geographical decentralisation also led to non-accountants being able to check data before they go to higher management.

'The operating statements come out once a month. He used to send a copy to (my boss) with sharp comments on variances. Most of them were due to inaccuracies. I would then send a snotty letter to (the accountant) saying they were all accounting mistakes. These were all slanderous statements by (the accountant). It was done in a gentlemanly way though.

Now we're decentralised we go through the figures first with the accountant.' (R.S. 14, Industrial Engineer)

The danger is that such checks may lead to manipulation of data. However it can be argued that it would probably take place anyway and it may well be easier where the accountant is not so close to operations. If the information is provided in an atmosphere of mutual suspicion and is regarded primarily as an instrument of higher management control then it may suffer as a decision-making tool and control instrument at lower levels.

If suspicion prevails then the motives of accountants' requests for information are resented. 'He'd pick up small

anomalies. He'd chase us off our arses for small one-time errors. Now we're decentralised this has stopped.'

(R.S. 14, Industrial Engineer)

It is perhaps doubtful whether management accounts for decision-making for lower level management can be produced where there is considerable conflict with the accountant and his motives are suspected. Manipulation of the data may occur anyway. The accountant who is distanced from managers may be unable to prevent this, or may not realise it is occurring. The fact that manipulation is occurring only serves to increase managers' cynicism of accounts. The checking of data prior to publication could increase manipulation, but it was not the view of managers in this organisation. In fact they believed it had helped produce more accurate reports.

'We used to have a lot of reconciliation and duff information. We have cured this by decentralisation. Now (the accountant) can call in ten minutes, have a chat and sort this out. Previously this was never done and Head Office would accept the figures.' (R.S. 6, Industrial Engineer)

2 The Case of Separating the Service and Book-keeping Activities of the Management Accountant into Separate Roles

One focal role studied was unique in that the management accountant was relieved of direct responsibility for the usual book-keeping aspects of his role in order to enable him to concentrate on service activities.

A description of the structure and his role is given below by one of his role senders.

'In practice the cost department of 40 is separate from

the management accountants. All the routine data is pushed out by them (the cost department). The management accountant deals with queries and goes to a lot of meetings. All production people get reports.

Much of the liaison is now on a formal basis as part of a cost reduction exercise. People now expect the accountant to come up with ideas.

There must be a close relationship and working together. The accountant must not be just a point-scorer. If people are suspicious of his system then there will be a basic antagonism there, with the accountant seen as a watchdog over them.

It's a question of organisation structure. Accountants should be on production managers' laps. He needs a lot of technical knowledge to talk to the production managers here-otherwise he'd soon lose credibility with them.'

(R.S. 49, Management Accountant)

The interest in this arrangement lies in the fact that the neglect of service aspects in the accountant's role was recognised, as was his conflict between service and the demands of the technical system. Here the management accountant had twin superiors, an accountant and a general manager. The latter was the most important for determining the accountant's duties. The former was responsible for his training, enforcing company financial policy and questions of professional accounting methodology.

The management accountant was relieved of all book-keeping duties in order to allow him to liaise and carry out special projects. His attendance at management meetings

was expected along with a positive contribution. Even so much of the liaising was formalised to prevent the accountant backsliding into book-keeping activities.

Obvious difficulties were the probably higher costs and, for the accountant, conflicting loyalties and doubts about his career structure.

The system was evaluated favourably, however by the non-accountants.

'We've a saying in the Institute of Plant Engineers that a prerequisite of the job is to buy your accountant a pint. That's not necessary here. We are a close-knit team. It would be though if he were remote. It helps us get meaningful figures.' (R.S. 50, Factory Engineer)

'Our system throws people into a team, therefore we may be more critical. The accountant is at a lot of the meetings I go to. I feel the management system we use tends to break down barriers to functions.'

(R.S. 52, Quality Control Managers)

The degree of role conflict from role senders in this case was amongst the lowest discovered. The example raises interesting issues such as: are the book-keeping and service activities irreconcilable in one role and therefore should be separated?; or do they require differing skills from accountants and provide differing satisfactions, therefore they should constitute two roles staffed by the most appropriate type of accountant? If the responses are affirmative to these questions then this case may provide a method of resolving the problem. The management accountant in the service role was in effect acting as an integrator between the accounting and line departments, whose needs, goals and orientations may be at variance.

3 Common Dissatisfactions of Role Senders in the Decentralised Structures

In most of the cases studied the role senders sought further decentralisation of the management accounting function, by lessening the remaining powers of the central accounting function. There were two major reasons for this, firstly to put greater pressure on the accountant to play more of a service role and secondly, to allow managers greater freedom to design the content and format of their control systems.

The fact that the accountant could not sufficiently extend the service aspects of his role to meet the expectations of role senders was often blamed upon his remaining relationship with a central accountant.

'I'm aware they (the accounts) are produced in a rush. This is an organisational problem. As long as there is a central accounting function which needs its own information then the services of (our accountant) will be restricted.'
(R.S. 13, Production Manager)

'He has a problem - the central accounting function. He has a staff relationship which makes it difficult for him to arrange his priorities. I'm trying hard not to embarrass him. To make it easy by not telling him to fuck (the chief accountant).'

(R.S. 12, General Manager)

The central accounting function was seen to have accountancy priorities in conflict with line management's. Their attempts to influence the work of the decentralised accountant was resented, for it seemed to redirect the orientations of the accountant. In addition their demands were seen as biting into the already insufficient time the

accountant had to involve himself in the managerial aspects of his work.

This was sometimes reinforced by a resentment of the influence which central accounts retained over the control system.

'I'd like more expertise and a more detailed breakdown of accounts - but we're tied by central control.' (R.S. 1, Production Manager)

Retention of influence by central accounts was believed to be against the philosophy of decentralisation, where it was believed the operating managers should be the major determinants of the accountancy control system. The central accountants were associated with the usual stereotypes of accountants and personnel in detached remote Head Offices. The usefulness of their dictates and demands were sometimes open to scepticism and carried out with a lack of commitment.

'London is still too much in control... in our set up whether it's any good forecasting is another matter. I've no fucking faith in the exercise. It doesn't produce any results. It's just for some bugger in London (Head Office).' (R.S. 51, Production Manager)

Resentment and criticism may well be due to rationalisation. Clearly it needs sensitive handling to avoid conflict. In many of the cases the powers of the centre had not been defined and if they were widened unduly then the legitimacy of the decentralisation was questioned.

Such criticisms were however an indication of the desire for, and acceptance of, the decentralisation rather than reversion to centralised systems. Under decentralisation

managers were perhaps more likely to question the extent of their powers over the accountant in relation to the centre. This may be why the comparative scores of influence under varying structures yield no significant differences, i.e. if under decentralisation managers have more influence and participation in accounting matters then they are more likely to be aware of the limits of their powers and question such limits. If under centralisation involvement and concern with accountancy matters is often low, then such limits may not be seen as important to the manager.

4 The Dissatisfactions of Role Senders in the Centralised Structure

The quantitative data showed the major differences in the centralised structure, as compared with the decentralised structures, to be in the lower rates of interaction; the greater degree of role conflict, particularly the activities concerned with the provision of accounting information; and the lower evaluation of accounting information.

The qualitative data reinforced and provided amplification of these results. In the centralised organisation the budgetary control system was frequently criticised for its believed bias towards being a tool for top management control rather than aiming at middle management control and decision-making. In addition the accounts department was heavily criticised for its believed restriction of information. Unlike the other organisations studied there was a small pocket of managers who rejected almost totally the value of management accountants and management accounting to their work.

The remaining managers (approximately three-quarters of those interviewed) though placed a high evaluation on the possibilities which an improved control system and service from their management accountant could bring. They were however critical of the accountants' failure to involve themselves in management decision-making and extend their role into service aspects. It was believed that their failure to do this was a result of the structure, particularly geographical, which distanced the accountant from other managers. This served to make liaison difficult and led the accountants to be not sufficiently knowledgeable about the work and problems of the departments they served.

(i) The Design of the Control System

The management accounting system was widely perceived to meet the needs of top management rather than middle and lower level management.

'The system is designed to meet the needs of the board. It's a control instrument... my needs are different... I need the information for management... but it's too imperfect... but the board get it so we must be ready with answers to questions on variances.' (R.S. 26, General Manager)

'His information is too late. I act before this. It's really for directors and other managers. It's not my prime motivation to read through accounting reports. It's designed more so that top managers can check on us.' (R.S. 29, Production Manager)

As the above comments indicate the control system was seen as biased towards performance orientation in order to enable senior management to maintain a close scrutiny over the performance of subordinate managers and departments. The

budget results were not perceived as unimportant, but reactions to and usage of the information were largely defensive, i.e. the budget illustrated performance to senior management and therefore managers had to be prepared to account for their results.

Given the performance bias it is possibly not without significance that it was only in this organisation that some subjects freely admitted to manipulation of the data, and even took some pride in 'the delightful fiddles' they had worked out.

The control system was criticised for being too slow and somewhat inaccurate. The information was often insufficiently broken down or was in such a format that it could not be used by managers for decisions within their province of responsibility. In addition it was felt that too little attention was placed upon determination of budget goals and too much emphasis placed on actuals.

(ii) Restriction of information

The information was not only seen as being of less use to managers, but in addition there were frequent complaints that they were unable to obtain accounting information when it was sought.

'This is a competitive business - but the accountants will only quote general costs. I can't get unit costs out of the system.

It's typical of accountants that they won't give information. They keep it to themselves. It's always been part of the tradition here. I'd like to see how they build up their figures and how they've arrived at their

conclusions. But they will only give a final cost. They seem to think it's none of our business. That we should stick to production.' (R.S. 29, Production Manager)

As the above subject stated, the organisation had a history of not providing financial information to management. However due to changes in management techniques, brought about perhaps by declining profitability and unstable market conditions, particularly for raw materials, this had changed somewhat. The organisation now needed managers to be cost conscious.

'Until eight years ago the cost office was a locked door. You couldn't get your nose in. It's been a revolution since - trying to get management involved in costs.' (R.S. 35. General Manager)

Undoubtedly previous practices must have influenced present perceptions of the situation and whilst managers acknowledged the change, most felt it had not gone far enough.

'We've just had a brush as he wouldn't allow us some information. There's a shutting of the door here. The cost office used to be a closed shop. We found we could get information from other sections, but the accountants were not very helpful. There's a resentment of us. He feels we've got a foot in his door. There's an atmosphere.' (R.S. 40; Industrial Engineer)

(iii) Impracticality of accountants

Given the low interaction and restriction of information it was not surprising that non-accountants' perceptions of the usefulness of the accountant in their operations was

limited.

'People in centralised functions with the best will in the world gradually get out of touch. How do you tell an accountant, when you've got a £10,000 adverse, that its harder to get people to work, if he's never worked in the line.' (R.S. 29, Production Manager)

'Mistakes have escaped because people preparing (the data) there don't have a detailed knowledge. The accountant needs a period in the factory to see how it ticks. His staff should be able to relate what they are doing to what is actually happening. They don't have the day-to-day knowledge.' (R.S. 34, Superintendent)

The above are representative of the frequent comments concerning most of the accountants' lack of knowledge of operations, which it was felt limited their use in management and affected the reality and relevance of their data.

It was probable that a relatively large number of the managers used accounting data and services less than elsewhere and their evaluation of it was not high. This did not mean however that the majority of managers deemed such a situation as desirable. Many were critical of the failure of accountants not to be more involved in operational management and to make their distinctive contribution to decision-making. Where these comments were made they were usually linked to criticisms of the existing structural relationship of the accountant, both hierarchically and geographically.

(iv) The Hierarchical Relationship of the Accountant and Expectations of his Role

At the time of the initial study it was apparent that many of the subjects realised the question of

organisation structures was being reviewed. When role senders expressed comments on the structure it was usually to state that they believed the present system to be unsatisfactory in that it was over-functionalised. They generally expressed a preference for management by teams of specialists and line managers all reporting to a general manager.

'We are over-functionalised. The present organisation is a barrier. For example on the management information side we've quality control, engineers, planners - all separate. I'd like to straighten this up, but we're always fighting professional ethics. If we'd a free hand it would never be done like this.' (R.S. 26, General Manager)

Confirmation of the above comment was gleaned by the researcher from unstructured interviews with higher managers in and outside accounts. Considerable resistance to such a move came from the senior accountants. Their major explicit reason for opposing such a form of structure was the belief that accountants who had a non-accounting superior would give in to pressure to manipulate and perhaps falsify information, in order to present line results in a more favourable light.

This conflict may be related to the divergences in expectations for the role of the management accountant; senior accountants perceived the role as primarily stewardship; non accounting managers as service. The point was picked up by one non-accounting manager.

'All the time its the question of whether you have the accountant as a tool or not.' (R.S. 31, Industrial Engineer)

The non-accountants clearly saw the role as service and sought full decentralisation.

'He should be more involved with teams and a wider range of projects. They've got the figures... they are my variances, but the accountant is not mine.' (R.S. 26, General Manager)

(v) Geographical Decentralisation

The desire for hierarchical decentralisation was coupled with a desire for the accountants to be physically closer to production. The reasons for this were various. Some believed it would help increase liaison and force the accountant into playing a greater service role and less of a book-keeping one.

'We'd like the accountant to be closer to us physically and be more involved. The nuts and bolts are damned important. I suppose we both should have more time together. I feel since we've had a more sophisticated and precise accounting system he's become more of an accountant and less of a cost manager. I'd like to see more of the latter.' (R.S. 61, Factory Engineer)

The desire for greater liaison was often attached to a general desire for more liaison with specialists and a greater use of group decision-making.

'There should be an accountant nearer to us - who could do all of the detailed calculations here... as part of the team. There should be a closer link between us.' (R.S. 32, General Manager)

Others felt having the accountant nearer would enable

them to educate their accountant more fully in the work of their department. They felt that if this were possible he would be able to play a more constructive and wider role, and would be less likely to make mistakes.

"We've never had an accountant who asks me where to put an expense. It would save me a lot of time. If we had someone nearer this would run a lot smoother. Because of the remoteness we get mistakes... I'd like to get hold of him and push him through the division to learn how the expenditure takes place - not have him just playing around with figures. With him working centrally it's difficult." (R.S. 35, General Manager)

Summary

Both the qualitative and quantitative data illustrates that the structural relationship of the accountant was related to non-accounting managers interaction with his accountant, the degree of role conflict, and their evaluation and perhaps usage of accounting information. The major differences in role conflict were due to the decentralised managers having a greater ability to tailor the accounting system to meet their decision-making needs, whereas their centralised counterparts perceived the system as being performance orientated for higher management control. The greater interaction possibly increased acceptance of budgets and helped improve their accuracy. The failure of the accountant to extend his role sufficiently to satisfy the service expectations was general in all structural forms. This may be determined more by the degree of computerisation

in the accountancy technical system, rather than the accountants' structural relationship. One organisation overcame this problem by divorcing the book-keeping activities from the role of the management accountant.

The attributes of the accountant and his interpersonal relationships with others did not vary according to structure and did not appear in the main to give rise to problems.

CHAPTER ELEVENTHE FULLY CENTRALISED ORGANISATION -
ROLE SENDERS' REACTIONS TO HIERARCHICAL CHANGES

The research in the fully centralised organisation was conducted on a different basis from that in the other organisations. In the latter cases subjects were informed that the research would, as far as possible, be confidential and that no information would be fed back to any person within their organisation.

The fully centralised organisation was in the early stages of an organisational change and development exercise. Personnel from the University of Aston Management Centre, including the researcher's supervisor, were assisting in this.

On being informed of this piece of research the senior management of this company invited the researcher to extend his research to their organisation. The major difference to elsewhere was that the managers' requested the researcher to present to them a report which compared findings in their centralised organisation to those obtained elsewhere. This was agreed to by the researcher on the condition that only summarised results would be presented. No results appertaining to a single individual or a division would be given.

Each subject was informed of the agreed basis on which the research was being conducted. The restriction of the findings to the general was made to help provide a degree of confidentiality for subjects. It was believed that if such protection was not given, then subjects' responses

were likely to be less accurate. It cannot be gauged whether their responses were affected by this difference in approach. The researcher's subjective opinion was that it made no apparent difference.

It was also agreed with the senior management that the research would be repeated twelve months later in order to discover whether any of the proposed organisational changes had had any effect.

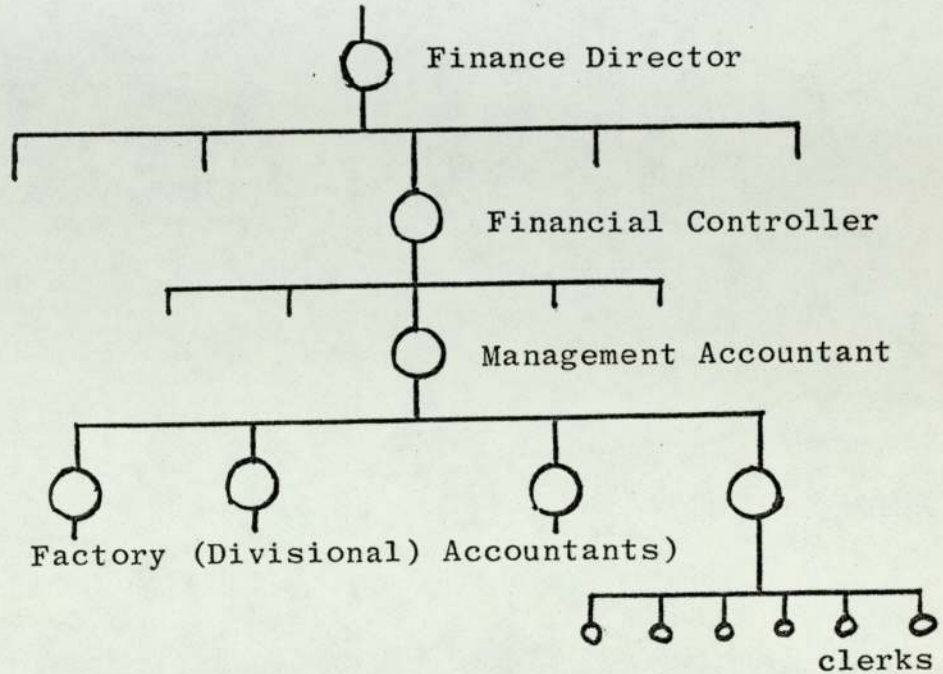
Subsequent to the initial research a paper was given to the collected management of the organisation at a residential meeting. This gave the preliminary comparative results of the initial research stage. The paper provided some heated discussion and received a mixed response. The researcher also attended and participated in two other management meetings at the University of Aston.

Eighteen months after the initial research stage the follow-up stage was conducted. It is possible that the previous involvement and known views of the researcher may have biased responses, but again on a purely subjective opinion, it did not seem to do so.

Shortly after the initial research some organisational changes were initiated. The major changes relevant to this research were to the accounting hierarchy and the building of divisional management teams.

(i) Changes to the Accounting Hierarchy

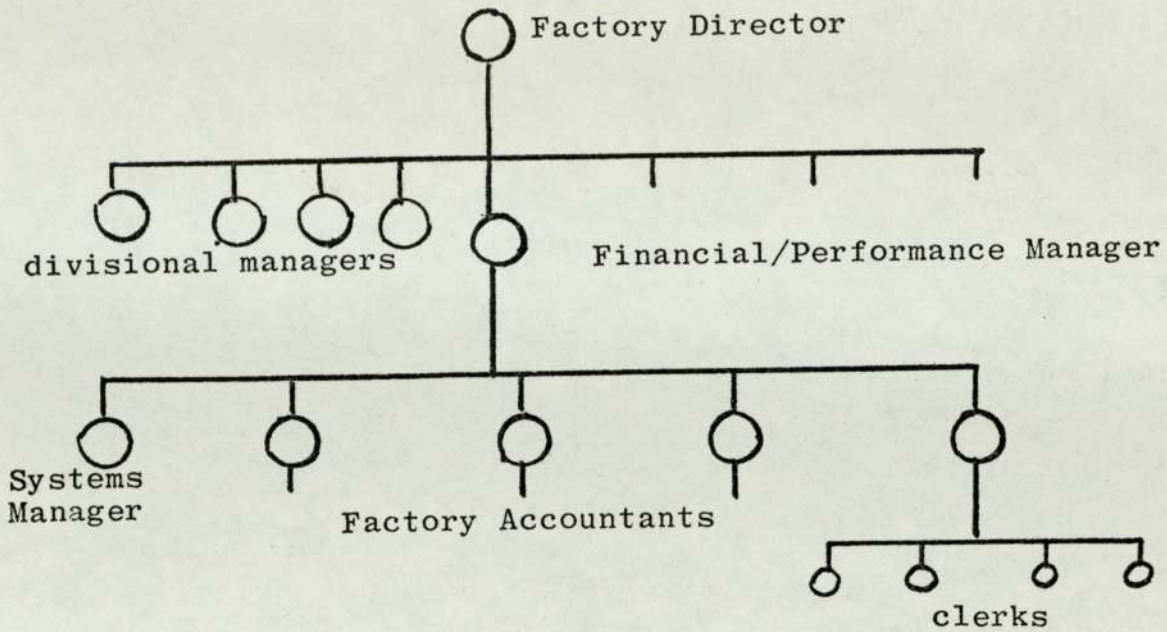
The initial structure of the management accountants is detailed below:-



The four focal roles studied were those of the factory accountants. Each accountant was responsible for a division's management accounts. Of the four divisions, three were manufacturing units. The fourth was a general services division (maintenance of buildings, R & D, personnel etc.).

The accountants were part of an accounting hierarchy culminating in a financial director. All of the factory accountants had a subordinate group of clerical supervisors and clerks.

The structure following the organisational changes carried out after the initial research is depicted below:-



The management accountant shown in the original structure was recruited to another position within the accounting department. The new position of Financial/Performance Manager was filled by the former Financial Controller. He now reported to a non-accountant, the Factory Director.

The Factory Accountants remained geographically in the central accounting office, though their new superior, the Financial/Performance Manager was moved to an office adjacent to that of the Factory Director. The major function of the Financial/Performance Manager was to conduct a review of the information systems, particularly financial, supplied to managers in and serving production.

(ii) The Building of Management Teams

There was an attempt to establish task orientated teams at factory level. Each team was headed by a divisional manager whose line subordinates were augmented by an industrial engineer and his subordinates and an engineer(s). The factory accountants became part of their

relevant divisional team but remained hierarchically responsible to an accountant (the Financial Performance Manager).

The building of the teams was an attempt to 'push the management process down to lower levels in the organisation by appropriate methods of decentralisation.'¹

The Results of the Post-Change Research

The general opinion of the researcher was that the structural changes affecting the management accounting function were so marginal that they would make little difference to responses of role senders. Whilst there were possible problems which would arise out of making the factory accountants hierarchically responsible to divisional managers it was felt that on balance this would have been desirable. The failure to geographically move the management accounting personnel to the new divisional offices was felt to be a major mistake.

In general the research results confirmed the researcher's opinions and expectations.*

The details of the quantitative results obtained in the two research stages are given below in Tables 11 and 12.

*The writer has been informed by Professor J Child that the organisation later decided to geographically decentralise the management accountants. This took place some eighteen months after the follow-up study.

TABLE 11

Comparative Responses of Role Senders Before and
After Changes in Hierarchical Structure

VARIABLE NAME	MEAN SCORES ¹		Significance of difference in means ^{2,3}
	Pre-change	Post-change	
<u>Interaction</u>			
Talking	4.14	3.69	
Seeing	4.21	4.00	
<u>Interpersonal Relations</u>			
Helpfulness of accountants	6.21	6.31	
Frank and openness	5.93	5.81	
Likeability	5.79	6.12	
Threat to take job	6.64	6.56	
Appreciation	4.93	5.06	
Agreeing facts	6.07	6.00	
Agreeing decisions	6.29	5.75	***
Manipulating data	6.14	6.37	
Total I.R.	48.00	48.00	
<u>Perceived Influence</u>			
(i) of R.S. over F.R.	1.36	1.13	
Adequacy of (i)	1.39	1.31	
(ii) of F.R. over R.S.	1.29	1.12	
Adequacy of (ii)	1.29	1.31	
<u>Reports</u>			
Study	2.07	1.12	*
Usefulness	2.36	1.25	*
Slowness	3.07	3.12	
Accuracy	3.46	3.40	
Relevance	4.36	4.87	**
Understanding	4.21	4.31	
Number of subjects	14	16	

1. Details of questions, scales and responses are given in Appendix B
2. Differences in means were tested for significance by the t test.
3. * significant at $p < 0.01$
** significant at $p < 0.05$
*** significant at $p < 0.10$

TABLE 12

Comparative Responses of Role Senders Before and After Changes in Hierarchical Structure

Variable Name	Pre-change		Post-change		Significance of Difference in Means 2,3
	Mean ¹ scores	No. of scores	Mean scores	No. of scores	
<u>Role Conflict-Activities</u>					
1. Preparation of budget	1.57	14	1.19	16	
2. Publication of budget	1.42	12	1.19	16	
3. Special projects	1.00	11	.85	13	
4. Liaising	.50	8	.62	16	
5. Stocks	1.14	7	1.50	2	
Total	38.43	14	28.75	16	
<u>Role Conflict-Time</u>					
1. Preparation of budget	.23	13	.44	16	
2. Publication of budget	-.50	14	.19	16	***
3. Special projects	1.39	13	.60	15	***
4. Liaising	1.07	14	1.12	16	
5. Stocks	1.00	7	1.00	2	
Total	28.21	14	29.75	16	
<u>Role-Conflict-Stylistic</u>					
	11.43	14	13.31	16	

1. Details of questions, scales and responses are given in Appendix B
2. Differences in means were tested for significance by the t test.
3. * significant at $p < 0.01$
** significant at $p < 0.05$
*** significant at $p < 0.10$

As can be seen from Tables 11 and 12 the number of significantly different responses from role senders were small.

Interaction (Table 11) particularly talking, had increased but not very significantly. It still remained relatively low in comparison to the other organisations studied. However it did indicate tentatively that a hierarchical change, without an accompanying geographical change may serve to increase interaction. The increase in interaction was possibly due to the greater attendance of the accountants at formal team meetings.

Interpersonal relations (Table 11) generally remained at their high level. The only significant change was that there was a very slight increase in the perceived difficulty in agreeing when making joint decisions. This might support the previous claim that decentralisation may serve to make decision-making more frictional in order to break-away from sterile over-harmonious relationships.

The perceived influence of role senders over their accountant and vice-versa (Table 11) increased but not significantly. This might have been more significant had a more sensitive measure been used.

The degree of role conflict regarding the manner in which the accountants performed their activities (Table 12) dropped in total, due to lower conflict surrounding the two budget related activities (Activities 1 and 2). The changes were not very significant but they were in the direction that were expected given the other

research results elsewhere and the hypotheses.

Total role conflict-time (Table 12) which measured the total magnitude of desired time changes remained virtually unchanged, as did role conflict-stylistic (Table 12). From the previous results no major changes would have been expected in these two indices.

The direction of time changes sought in specific activities (Table 12) moved closer to those found in the other organisations, in that the role senders decreased their desire for the accountants to spend less of their time on the book-keeping activity of publishing the budget (Activity 2), and also decreased their desire that the accountant should spend more time on special projects. (Activity 3) This could be interpreted as the role senders believing the accountants had slipped slightly from a book-keeping interpretation of their role to a greater service role. However the desire for the accountant to spend more time on liaising remained high, as it had in the other organisations.

The role-senders did not report any change in the ease or difficulty in understanding accounting reports, (Table 11) and the reports continued to be evaluated as slow and inaccurate in relation to the other organisations studied. (Table 11)

The most significant changes occurred in the perceived usefulness of accounting reports and the degree of study to which they were subjected. (Table 11) The scores in the second stage were exceptionally high in relation to the other organisations, whereas previously they had been significantly lower. The reason for this is not fully under-

stood, especially as so much criticism of the accountants' role and services remained. Improvements had been made, as will be discussed later, and these undoubtedly are partly the reason, Previous studies, referred to earlier, have isolated the importance attached to financial data by a person's superior as the major determinant of the extent of study of accounting reports.^{2,3} The Factory Director was undoubtedly an enthusiast for accounting as a management tool. The importance he attached to accounting information may well have worked down to his subordinates. This may have been reinforced by the fact that the managers who in the first study had placed very low evaluations on the usefulness of accounting information, and had the lowest scores for the extent of study of accounting data, had in the main been removed to other positions outside the management teams and therefore were not subjects in the second research stage.

The qualitative responses confirmed that managers were using the financial information more and that some improvements in its content and format had been made. The response below is indicative of others though somewhat more favourable.

'Since you were here last the line has changed in several respects. We've become more professional and sharpened up over financial awareness and how to use the figures for management. As a team we are much more sensitive to the figures and better at reading them.

(The accountant) and his team are more clearly identified with our team and we've got more sympathy for their situation.

We've done quite well in management terms. The success has helped us and we've broken the idea that the management accountant is snotty and interfering. He can develop more the management part of his job. He's changed the reporting system and he acknowledges our work more. There's not the same functional suspicion.' (R.S. 59, General Manager)

The above response follows the pattern established in the other recently decentralised organisation, in that usage and evaluations of the accounting information had improved partly through the managers being more able to influence the content and format of reports, and partly by a reduction in the stereotyping of the accountants. They are perceived as playing less of a stewardship role as they become identified more with operating management rather than senior management.

Conflict surrounding the accountants' role however remained, despite the changes. In most of the relevant responses the failure of the accountant to meet the expectations of managers was linked to the prevailing structural relationship. It was strongly felt that the geographical isolation of the accountant from the other team members meant that he was excluded from much of the decision-making within the divisions.

'Because he's not in the division his opinion is only sought by a definite decision by us to do so. He misses out a large number of issues where he could contribute. We're too far apart.' (R.S. 66, Industrial Engineer)

'His not being here creates problems. Potentially he has a big bite in policy. It's in his lap. But he's not consulted in the decisions outside the formal system. The management team here look at things daily with free

exchange. He's out of this. His absence is a big handicap and his contribution is therefore less.' (R.S. 76, Factory Engineer)

The essence of team-building was to build up decision-making styles which were more participative and informal. The accountants were excluded from much of this process because of their geographical detachment. It is doubtful whether their increased presence at the formal team meetings could fully overcome this handicap.

Some of the engineers who had been decentralised commented favourably on their move and reflected on the effect it had on their own orientations. They were especially critical of the accountants' resistance to a similar move, which they perceived as professional exclusiveness.

'It's a question of a functional specialist being over-concerned with his professional virginity. He's so concerned with ethics that he never gets any experience. He could do with mixing with us roughs in production. Our time scales are so different. It produces different styles and makes communication more difficult. It was a revelation to me to come in from a service department to production. I was a typical specialist before - with tunnel vision. I can't avoid meeting production people now. He has restricted contact, therefore his view is not expressed. His contribution is limited. Geography matters.'

(R.S. 61, Industrial Engineer)

Other managers picked up the point that they had used the engineering services more since decentralisation and that their viewpoint had helped contribute to decision-making.

'We've had I.E. (mainly work study) here for a year. We've given him more work since and he's often brought a new approach to problems. We'd utilise finance more if he were here.' (R.S. 64, Production Manager)

Some of the role senders remained dissatisfied with the reporting systems. A minority still perceived the controls as being too performance orientated and sought to change them to be of more use for decision-making. Instances where top management received data before middle management had had a chance to check and evaluate it were resented as they had been in the other organisations.

'We need different styles of reporting to different people. We're in contention here. We see a grand central system going up to the top. It satisfies the fantasies and visions of Finance, but it's not much use to us. We should get the data first. Then top managers and the centre. I'd like to see them down here analysing the figures with us.'

(R.S. 61, Industrial Engineer)

As was picked up in the quantitative responses the information was still perceived as not being very accurate. Some felt that this could be overcome by geographically decentralising the accounting staff, to increase liaison and make accounting staff more aware of the reality and implications of their data.

'I'd like the accounting staff to do more. They are so committed to churning out figures that they don't recognise obvious mistakes. It would help if they were in our office. They'd realise what the spending is all about.'

(R.S. 70, General Manager)

Generally though the criticisms of the accounting information and reports were somewhat less than the previous visit. Clearly some improvements had been made in this area and would continue to be made. This was picked up probably by the decreased role conflict scores on activities 1 and 2 (Table 12). In addition problems regarding managers' usage and evaluations of the data had been overcome. But this had served only to focus more attention on the role of the accountant. The managers clearly rejected, as in the other organisations, the accountant playing a passive book-keeping role. However this was frequently how the accountant's behaviour was perceived. The expectations for the accountant's role was for him to be an acting member of the managing group, cogently arguing the financial viewpoint and illustrating the financial constraints involved in particular decisions. It seemed that similar expectations for other specialist roles had been satisfied. The accountants and their structural relationships seemed to present more problems. The views are perhaps best summarised by the respondents below.

'We often get into arguments which we think are financially sound, but often we've got insufficient detail. I sometimes think a more intimate relationship would be better for both of us. The balance between measuring performance and influencing decisions is wrong. The monitoring now is pretty good, but when we make a decision I'd like finance at my elbow. They are available if you ask them, but its wrong. You must diagnose the need for finance. It may be that often you don't realise they can

help I'd like a project team down here with an accountant. Now they give answers to questions. But often I feel they don't know why we are asking the question. Because he's not around we don't use him.'

(R.S. 69, Superintendent)

'At the present I expect the accountant to act as a long-stop and jump on me when necessary. However I feel I'd be a better slip fielder without him there and if he was with me in the slips. He's not part of the team. I'd like to be captain over him.'

(R.S. 59, General Manager)

Summary

The research was concerned with measuring the effect of a part movement towards decentralising management accountants hierarchically.

As expected the action changed little except for managers' usage and perceptions of the relevance and usefulness of accounting information. This may have been due to the non-accountants now having more influence over the reports because of the hierarchical changes. The accountants may have been perceived as playing a stewardship role in that they were identified less with serving top management, but they were still perceived as playing a mainly passive book-keeping role. This was a major source of conflict as role senders sought a more active service role from their accountants, particularly with respect to his involvement in decision-making. It was strongly felt that further decentralisation, particularly geographical, would help in achieving this end.

CHAPTER TWELVETHE MANAGEMENT ACCOUNTANTS AND THEIR REACTIONS
TO STRUCTUREThe Decentralised Accountants
Their Reactions to Decentralisation

Of the eight accountants studied in decentralised structures all bar two preferred this structured relationship to a more centralised one. The two who preferred the centralised structure were both in the minority group of accountants who were described as conceiving their role primarily as book-keepers. Their major reason for preferring the centralised structure was that it provided a clearer career structure, within accounting.

The reasons for the remaining accountants preferring decentralisation were twofold. Firstly, it enabled them to extend their role further into service and decision-making. Secondly, it enabled them to achieve greater job satisfaction. In practice these two reasons are closely interlinked.

Those who sought to extend their role desired to become more influential in operating decisions. The decentralisation helped them to achieve this end, as they could identify and interact more with non-accounting managers. In addition, as they were no longer part of an accounting hierarchy, they had more responsibility for financial decisions, e.g.

'It's widened my scope. Previously I was just involved in producing routine data. Now I'm involved in implications and management decisions. Now I'm an individual I've more scope to make my own decisions.' (F.R. 12)

With decentralisation a number of accountants had extended their role by becoming responsible and spokesman for areas not normally the province of the accountant, e.g. negotiating prices. The role of representative, rather than one of a checker outside the management team, was preferred by the relevant accountants.

In Chapter Nine it was argued that the accountants who desired a service role drew their major job satisfaction from activities external to the book-keeping activities. Their job satisfaction came largely from identifying and interacting with production and its personnel, and being involved in the line decision-making process. These accountants preferred decentralisation as it enabled these satisfactions, which were drawn from production, to be fulfilled.

'The advantages (of decentralisation) are greater job satisfaction on the part of the accountant. He uses a greater variety of skills and has a closer liaison. It's very easy for the accountant to feel aloof from the works.'
(F.R. 2)

As the above comment indicates the decentralisation brought satisfactions due to the less specialised nature of the accountant's role. This and the greater responsibilities became a major source of satisfaction.

'It's more like a controller's job now.' (F.R. 4)

Usually the decentralised units had scope to alter the format of reports. This was often felt to be an advantage in gaining their acceptability and effectiveness.

'We used to be tied down to producing stereotyped reports set by the parent company. They lost their impact. Now we

put out our own reports all of the time continually vary them to keep people aware. Now we just comment on the unusual.' (F.R. 5)

The two accountants who on balance preferred working in a centralised structure both saw advantages under decentralisation. One of their sources of increased satisfaction arising out of this structural relationship was their ability to enact a professional role by holding 'surgeries' with work people in the lunch-breaks to give assistance with personal financial and/or taxation problems. It is interesting that the two book-keepers attempted to extend their role in this manner rather than by extending their role further into management decisions.

Problems Arising out of Decentralisation

Two major problems arose out of decentralisation. It's effect upon accountants' promotion prospects and difficulties arising out of twin or dual supervision. A third problem mentioned, was the relative cost of decentralisation compared with centralisation. However no statistics on this matter were available, therefore it has not been isolated for further study.

(i) Promotion prospects

A number of accountants stated or intimated that with decentralisation their promotion prospects had been diminished by decentralisation.

'There's no line to climb. I'm an autonomous unit. There's only one possibility of promotion here and accountants do not get promoted to general manager. The upward movement is very restricted. A number of accountants

have left because of this.' (F.R. 11)

The book-keepers were especially critical in this respect. As indicated earlier, perceived career progression may be a major determinant of satisfaction and role conception. For the book-keepers, who sought promotion within finance, decentralisation was seen as reducing promotion opportunities, as the remaining finance function was smaller, with fewer senior positions. However, as indicated earlier, it would be unwise to assume that all management accountants seek promotion up a financial hierarchy. For those seeking to move into general management, decentralisation had positive advantages. In addition there were a number of accountants who did not seek or expect further promotion, and whose satisfaction was increased by the decentralisation

(ii) The Dual Reporting Relationship

A number of the accountants felt that reporting to two superiors, i.e. directly to a general manager but with a dotted line relationship to a senior accountant, led to major problems.

'I've to wear two hats here - one to the chief executive and one to the controller. This can be difficult in practice, e.g. if the chief executive doesn't think highly of certain people in the sub-group he might say bugger them. Then I'm on a tight-rope. It's an invidious position. All I can do is just try to satisfy both. Often you end up pleasing no-one.'

(F.R. 4)

'I've a functional relationship to the chief accountant. It's a straight line to the General Manager and

a dotted one to the Chief Accountant. I get told off by the chief accountant for not telling him decisions I've made with the general manager and vice-versa. It's a strong dotted line but it's not clear.' (F.R.3)

'The twin relationship is unsatisfactory. You either decentralise or not. You must have one boss. At the moment it's a bit of a mess and it can result in dissatisfaction for me ... The other accountant has more aggravation. He gets it in the middle - he's the meat in the sandwich - between production and central accounts.' (F.R. 2)

One of the geographically decentralised but hierarchically centralised accountants was sheltered from this but noted the phenomena with his own superior.

'I don't want his job - he's buggered about. I don't fancy it. He doesn't know whether he's coming or going - so many people seeing him and he's at the beck and call of the regional director.' (F.R. 1)

Clearly a dual relationship increases the potential for the accountant to be in a position of conflict. One solution, as mentioned, may be to have the accountant report only to a non-accountant. The difficulties of such a solution are that some accountants may feel even more isolated from the financial hierarchy and their promotion prospects further diminished. In addition the link to the centre provides the accountant with technical assistance and expertise. Some link may be necessary to maintain a degree of necessary standardisation of accounting assumptions and formats. Finally and perhaps most importantly the link provides an escape hatch for the accountant if he is being placed under pressure by his general manager to manipulate data. Under full decentralisation the only recourse for

the accountant who feels that his professional standards are being threatened is to accede or resign.

The question which probably should be asked is not whether the 'dotted line' to another superior accountant should be abolished, but rather, why does it cause such conflict in some organisations and not others? Apart from suggested differences in personalities of various superiors no clear indication was forthcoming in this research.

The Fully Centralised Accountants

Pre-change

The centralised accountants made few comments regarding structure in the initial study. If problems were mentioned they were not seen to be major.

'We've had stresses between functions, especially the factory - feelings of us and them. But we work as a team here. I've no worries here.' (F.R. 6)

'As it stand at the moment it's O.K. It gives us the overall picture quickly.' (F.R. 8)

There was no clearly articulated desire for structural change on the part of the accountants, nor did it seem that they perceived major problems regarding the service they provided. Centralisation seemed to shelter the accountants from much of the criticism surrounding their activities. This is reflected in some of the data in Table 13 regarding role divergencies, which indicates that the centralised accountants tended to underestimate the degree of desired changes in their activities, whereas the decentralised accountants seemed to overestimate it.

The data in Table 13 was constructed and interpreted in the following manner. For each activity the perceived role conflict-activities score given by the focal role was deducted from the role conflict-activities score of each relevant role sender. Thus a negative score would indicate that the accountant's perception of change sought was greater than that desired by the role sender for that activity. Conversely a positive score would indicate that the role sender sought more change than the focal role perceived as being sent.

The mean role divergence scores for the first five major activities under the three structures are given in columns A, B and C in Table 13. The data was subjected to two tests. Firstly the means under the various structures were tested for significant differences using the t test. Secondly the three point scale of structure was correlated with scores of divergencies for each activity. The reasons for administering two tests, one parametric and the other non-parametric, are the same as given for the data contained in Tables 11 and 12 in Chapter 10. Again the two tests yielded similar results.

Upon examining Table 13 it can be seen that in the case of the first three activities the mean scores in the centralised structure are positive, i.e. the focal roles tended to underestimate the degree of changes sought, whereas in the organisation with a degree of decentralisation the converse was the case, i.e. the focal roles tended to over-estimate the degree of changes sought. These results may confirm the previously made claim that centralisation may serve to protect or shelter the accountants

TABLE 13

Divergencies Between the Role-Senders' Desired Changes in the Manner of Behaviour by their Accountant in Each Activity and the Perception of the Accountant (Focal Role) of these Changes, Under Differing Structural Relationships

Variable Name	Structural Relationship of Role Sender						Significance of difference between means, 1, 3			Correlation with structure 2	Significance 3
	(A) Fully decentralised	No. of Responses	(B) Partly decentralised	No. of responses	(C) Fully centralised	No. of Responses	Fully centralised to decentralised geographically A + B : C	Fully decentralised to centralised hierarchically A : B + C	Fully decentralised to fully centralised A : C		
Divergencies in Role-conflict activities											
1. Budget preparation	-1.00	19	-.75	8	.14	14	**	**	**	-.30	*
2. Budget publication	-.69	16	-1.00	7	.25	12	**	***	**	-.27	*
3. Special projects	-.43	14	-.50	8	.73	11	*	***	**	-.31	*
4. Liaising	-.65	17	-.25	8	-.63	8				-.05	
5. Stocks	.25	12	-1.00	2	-.29	7		***		.20	

- 1 t test
 2 Kendall rank order correlation coefficient
 3 significant at p \leq 0.01
 * significant at p \leq 0.05
 ** significant at p \leq 0.10

from role senders' criticism and desired changes, particularly regarding the content and format of accounting reports.

However the differences are not found with regard to the activity of liaising (Activity 4). Under all structural forms the accountant over-estimated the degree of changes sought. This may confirm the previous claims that the accountants studied generally were aware of the desire for more liaison and in fact would welcome it, but their inability to do so may lie in the design of their job rather than solely in their structural relationship to production.

Post Change

In contrast to the initial or pre-change study, the post-change study yielded voluminous comments from the accountants regarding the effect of organisational changes upon themselves and their tasks. This followed the pattern established in the previous research sites, in that structural problems tended not to be contemplated or commented upon unless they were specifically being changed or had just been so.

Overall the reactions of the accountants were favourable. The bulk of the changes as perceived by them was well summarised by one of their comments:

- '1. The divisional managers have a different attitude.
2. We're more involved with the factory. We're now part of the team rather than outsiders.
3. We're now at divisional meetings to discuss policy and have a say in long-run planning. The accountant's view is now expected.

4. We tend to work harder. Deadlines have tightened and the number and details of reports have increased.
5. We get more information and details of company policy, mainly from the chief accountant.
6. I tend to look at the work I produce from two sides now. It's not always easy.

They've all made the job more worthwhile. People take notice of what you're saying. But mistakes are highlighted. They're made known to you. It increases the pressure. It's made the job tougher. The pressure of deadlines, getting staff to meet them and divisional managers scrutinising your work. We now have a more open-style of management.' (F.R. 9)*

The comments on the changes follow the pattern established in the analysis of the comments of the decentralised accountants.

The changes made accountants attendance at team meetings obligatory. This formalisation of liaison was welcomed and all of the accountants reported that their work had become more satisfying due to a greater involvement in decision-making.

'The most satisfying thing has been the involvement in policy and decision-making within the factory. Being more aware of their problems and participating in them.'

(F.R. 7)

* In the post change study one accountant had resigned, resulting in one focal person being switched to the vacant position, and his vacant position being in turn filled internally by a previously unstudied accountant. The Focal Role numbers in this post-change section refer to the numbers given to the position in the pre-change study.

The accountants reported that relationships between themselves and the managers had improved. The data did not pick this up, possibly because interpersonal relationships were already very high. The greater formal interaction had put pressures on the accountants to respond to the changes sought by managers.

'We've a better image now factory-wise. The network of committees is for the better. It works at all levels. The (Financial/Performance Manager) has pulled accounts and production together and made us give the factory what they want. I'm all for it. I like being part of a team. There's a lot more work, but it's compensated by greater rewards.' (F.R. 6)

In addition the accountants believed that 'at factory management committees there's been a greater understanding of finance, its implications and terminology. They've been educated' (F.R. 8) The result of the changes had had advantages to the accountants in that they felt their information was more accurate and they consequently had greater confidence in it.

The major problem arising out of the changes for the accountants was the increased stress they incurred because of the greater demands which were being placed upon them by the non-accounting managers. This was picked up quantitatively. Each focal role had an increased score for stress. It was also noticed in comments.

'The bias towards division puts more pressure on us - timetables are more difficult to meet ... It's the participation. More questions are asked, more explanations have to be given. At one time our figures were never queried.

It makes our job a lot harder.' (F.R. 7)

The responses suggest that decentralisation of accounts may necessitate extra staffing to cope with the increased demands and expected changes in role. As indicated earlier the book-keeping activities still have to be performed. Without more time the decentralisation could just lead to greater stress on the accountant. This organisation was hoping to reduce the necessary time on book-keeping activities by introducing greater computerisation of accounts.

The accountants were aware of the pressures for further decentralisation. Their responses to this were somewhat mixed. To a considerable extent the accountants were caught between conflicting loyalties. Whilst they appreciated the views of the non-accounting managers and valued the changes in their role, they wished to retain their links with other accountants, in particular to protect themselves from pressure to manipulate data.

'I wouldn't like to be 100% responsible to the divisional manager. He's a dictator. He'd flavour reports and will concoct figures accordingly. I won't do this. It's my training. Having an accountant there protects me, along with the other accountants.'

It is impossible to examine the justification of this view. Evidence elsewhere^{1,2} gives examples of this, though it was not found to be a reported problem in the other hierarchically decentralised organisations. Perhaps it may be that accountants are laying too great an emphasis on their stewardship values. If such behaviour should occur then the final responsibility must be with the accountant's

superior. In addition any accountant put under such pressure might receive support elsewhere in the organisation should he feel it necessary to report such behaviour.

In general the accountants were more favourably disposed to geographical decentralisation.

Summary

The accountants working in decentralised relationships generally preferred it. This was because those accountants who sought to extend the service activities felt more able to do so. In addition they felt they had more opportunity to draw upon their principal sources of satisfaction being nearer to production operations and personnel and being more involved in non-accounting decisions. The major problems, apart from perhaps increased expense, were future promotion prospects and the conflicting demands placed upon them by remaining links with central accounts.

The accountants in the centralised structure were more protected and less aware of the changes sought by non-accounting managers. After the slight movement towards decentralisation they tended to be favourably disposed to some further decentralisation despite the greater stress incurred by the extra demands placed upon them. They too felt the changes had helped improve the quality of accounting information for decisions. Their reasons for favouring the decentralisation were similar to those of the other decentralised accountants studied.

CHAPTER THIRTEENASSOCIATION BETWEEN VARIABLES OTHER THAN
STRUCTURAL ONES

The major aim of the research was to examine the role of management accountants under various structural relationships. The results relating to this have been examined in previous chapters. The hypotheses however contained variables other than structural and role ones, e.g. influence, interpersonal conflicts, usage and evaluation of accounting information. Relationships between these variables were also hypothesised.

It was decided to test these remaining hypothesised relationships, and to discover whether any other non-hypothesised associations between variables existed. This was achieved by subjecting most of the variables obtained from role senders to tests of association with each other. The results of this exercise are given in Table 14. Correlation coefficients have been given only in cases where the level of significance is below .10.

When such a large number of tests are performed it is virtually certain that a number of spurious correlations will be generated. In addition, as has been discussed earlier, the research methodology contained flaws which lessen the reliability and validity of the data. Consequently any conclusions which are drawn from the tests must at best be tentative and be in need of further proof.

The major justifications for using the tests were that they might yield new insights and provoke conjecture

about relationships between variables. Such an exercise might be useful in helping to direct future research studies or perhaps be used to confirm or question results from previous studies.

An examination of the results of the tests shown in Table 14 reveals that association between variables were not consistently found. The associations which did exist tended to be small and often were not very significant. Given this, and the aforementioned methodological weaknesses, it was decided to limit the following examination of the associations between variables to;

(i) associations of major hypothesised variables to other variables; (ii) instances where a single variable is consistently and significantly associated with other variables. The variables chosen for examination, using these criteria, were those relating to influence, interaction, interpersonal conflict and the usage and evaluation of accounting information.

Role Senders' Perceptions of Influence (Table 14, Columns VI and VII)

Of all of the variables tested it was the role senders' perception of their influence over the focal role which had the most pervasive association with other variables. The role senders who assessed their influence over the accountant more highly were associated with:-

- (i) greater rates of spoken interaction;
- (ii) lower role conflict generally and particularly with respect to the accountants' performance of their activities; (H.9)

TABLE 14 (continued)

Number of Question in Interview Schedule (Appendix B)	Variable Name	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
Section F Question 3	Role conflict-stylistic			.17**	.21**	X	.23**		-.22**						.16***
Section D Question 2	Perceived Influence Role sender over focal role	.17**			.24*	.15***	X	.16***	-.37*		.17**				
Section G Question 2	Focal role over role sender		.22**			.23**	.16***	X					.14***		
Section E Question 1	Interpersonal Conflict														
Section E Question 2	Helpfulness of F.R.			-.20**	-.26*	-.25*	-.14***	-.35*	.21**						.14***
Section E Question 3	Openness of F.R.			-.15***	-.15***	-.22**	-.14***	-.35*	.62*						.16***
Section E Question 4	Likeability of F.R.	.20**			.14***	-.22**	-.18***	-.19**	.55*						.21**
Section E Question 5	Threat to job of F.R.					-.42*	-.42*	.62*	.28*						.13***
Section E Question 6	Appreciation of F.R.					-.24*	-.42*	.62*	.28*						.14***
Section E Question 7	Difficulty in agreeing facts		.19**			-.14***	-.35*	.39*	.39*						.21**
Section E Question 8	Difficulty in agreeing Manipulation of data to own ends			-.15***		-.14***	-.15***	.27*	.27*						.21**
Section J Question 2	Total interpersonal conflict					-.22**	-.37*	.58*	.58*						.15***
Section J Question 3	Reports	.21**													
Section J Question 4	Study	.18**													
Section J Question 5	Usefulness to R.S.		.21**												
Section J Question 6	Slowness														
Section J Question 7	Accuracy														
Section J Question 8	Relevance														
Section J Question 9	Difficulties in understanding														

1. Kendall rank order correlation coefficient

2. * significant at $p < 0.01$ ** significant at $p < 0.05$ *** significant at $p < 0.10$ correlation coefficients not shown where $p > 0.10$

3. N = 46, i.e. all role senders except for those in the post-change study

- (iii) interpersonal relations less inclined to conflict;
- (iv) a more favourable evaluation of accounting information;
- (v) a smaller divergence between the focal roles' perception of role conflict and the role senders' assessment of role conflict.

The correlations are modest and often not very significant, but they are consistent in their direction.

The associations suggest that where the role sender believed he had greater influence over the accountant, then the more likely it was that the accountant would meet the expectations of the role sender with respect to interpersonal behaviour and the information and services he provided. The greater interaction was probably due to the fact that the role sender believed it was more likely to be effective.

The results are perhaps a modest support for the previous studies which have claimed advantages for greater participation.^{1,2,3} There was a very modest correlation of $r = .12$, $p = .11$, between influence and the extent to which reports are studied.

A puzzling fact to the researcher was that perceptions of role senders' influence did not vary according to the different structures, especially as the variables of structure and role senders' influence had similar associations with interaction, role conflicts and the usage and evaluation of accounting information.

The researcher has no definitive answer to this. The lack of association between structure and the role senders' influence could be due to the measure of influence being sub-

jective rather than objective. In reality the decentralised managers may have had more influence, but their scores may not have reflected this because of their increased concern with, and awareness of, the limits of their influence, caused by the remaining powers of central finance. In addition the scaling techniques and questions were crude and not very sensitive. Nearly all the responses were in the two highest categories of possible influence. It is believed that a more detailed and rigorous examination of influence would reveal significant differences under different structures. In particular it would be expected to show that managers in decentralised structures have greater actual and perceived influence over their management accountant than their counterparts in centralised structures. In addition the associations between influence and other variables found in this research would be expected to be confirmed.

At the time of designing the research, influence and participation were not considered to be the major concerns of the study and the questions were included mainly to encourage qualitative responses. With hindsight a more detailed and precise measure of these factors would have been desirable.

The perceived influence of the focal role was not found to have such pervasive associations with other variables. There was no evidence to show that managers regarded the influence of their accountant as not being legitimate and therefore in need of reduction. All of

the subjects who did not believe the influence of their accountant to be 'about right' desired his influence over themselves to be greater. This confirms the point made in previous chapters that a major source of conflict was the failure of the accountants to involve themselves more in operating management and decisions. There was no evidence to show that accountants were perceived as being over powerful or interfering, whatever their structural relationship (H.7).

Interaction Between Role Senders and their Accountant

(Table 14, Columns I, II) Hypotheses 8, 11 and 17

The results for the association of interaction with other variables were contrary to expectations. Few significant relationships were revealed. As hypothesised, interaction was related to structure (H.4) and managers' usage and perceived usefulness of accounting information (H.17), but it had little association with role conflicts (H.8) and interpersonal conflicts (H.11). It had been hypothesised that greater interaction would be related to lower rates of conflicts, as had been found in other studies.^{4,5} A possible explanation of the research results may be that the research yielded very few, if any, interpersonal conflicts that were at the 'total war' extremity of the scales. The conflicts measured in the research were inclined to various degrees of harmony. Rates of interaction may not be very sensitive to slight differences in harmonious relationships. Geography and job-related needs may be more important in governing the degree of interaction.

Interpersonal Conflict (Table 14, Column VIII) Hypotheses
10, 12 and 15

As was explained in Chapter Six, an attempt was made to construct an index of interpersonal conflict, consisting of eight major manifestations of conflict.

In order to justify adding individual responses to create one overall index of interpersonal conflict it is necessary to show that the responses have a high degree of correlation with one another and the index. If this is not the case then it can be argued that the components are not related and are therefore separate concepts rather than components of a single concept.

As can be seen in Table 14 each of the eight components of the total interpersonal conflict index had very significant associations with the index, as was hypothesised. The correlation coefficients were however smaller than expected. In three cases r was less than 0.3. These results questioned the assumption that the interpersonal relationship responses were additive. This assumption was tested further by applying Nunnally's Measure of Internal Reliability Estimation⁶ to the data. This gave an internal scale reliability of 0.19, well below the 0.5 which is the suggested minimum level for acceptable research instrument reliability. This result cast further doubt upon the correctness of treating the variables as additive.

If it is accepted that the variables are not additive then it can be argued that they represent separate concepts.

This in turn can lead to a questioning of the claims of previous writers that their descriptions of manifestations of conflict all relate to a single concept, i.e. conflict. Such an avenue of thought could provide an interesting topic for further detailed research. This research however should not be used to draw any firm conclusions on this debate due to its inherent methodological problems. It is open to doubt whether one can get accurate measures of interpersonal conflict by structured responses in an interview between relative strangers, as this research attempted to do. The researcher occasionally had reason to doubt the accuracy of some responses, as the role sender often described interpersonal relationships which were very different from those intimated by the relevant focal person. In addition the method of scaling responses had dubious reliability, as different subjects could interpret the structured response scales as having different meanings.

The validity of the measures of interpersonal conflict is therefore questionable. Consequently the tests of association of these variables with the remaining variables need cautious interpretation. In general they show that interpersonal conflict was not related to the other major variables of structure (H.10), role conflict (H.12), and the usage and evaluation of accounting information (H.15). The researcher believed enough evidence was forthcoming in the qualitative responses to support these conclusions. These results run counter to the research hypotheses. They are not however, unexpected. It is the belief of the researcher

that managers are prone to dismiss many organisational problems arising primarily out of poor interpersonal relationships, caused by clashes of personality or a personality deficiency on the part of a significant person. The problems discovered in this research cannot however be dismissed in such a fashion. Scores for interpersonal relationships were generally high, yet the problems were still found. In addition interpersonal conflict variables were not associated with other variables such as role conflicts and evaluations of accounting data. Structure, influence and perhaps the accounting technology are probably more important than the accountants' personality in determining the degree of role conflicts and the extent to which managers use and favourably evaluate accounting information.

Role Senders' Usage and Evaluation of Accounting Reports
(Table 14, Columns IX to XIV) Hypotheses 13 to 16

Research referred to earlier showed that a major determinant of a manager's usage of accounting information was the importance attached to it by his supervisor.^{7,8} This was not measured in this research, but the results from the change exercise discussed in Chapter Eleven implied some tentative support for this claim.

As hypothesised and discussed in Chapter Ten there was evidence to show that the extent of report study was greater in the decentralised organisations (H.14). In Table 14 it can be seen that greater report study was associated with lower role conflicts (H.16), particularly regarding the manner in which the three information provision activities

(1, 2 and 3) were performed. It was also strongly associated with favourable evaluations of the accounting information with regard to its relevance and usefulness.

(H.16) As mentioned earlier, report study was also weakly associated with the role senders' having higher perceptions of influence over their focal role.

More favourable evaluations of accounting information with regard to its accuracy, speed of receipt and usefulness were found in the decentralised organisations. (H.13) An examination of Table 14 shows all three aspects to be associated with the degree of influence of the role sender over the focal role. Favourable perceptions with regard to accuracy and speed were both associated with lower total role conflicts with regard to time and activities.

The associations of report study and evaluation with interpersonal relationships were generally small, not pervasive and of small significance. (H.15)

The results suggest that the major factors determining managers' usage of accounting information is their evaluation of its usefulness to decision-making. The more a manager receives the information in the form he desires it, when he wants it, then the more likely he is to use it. The research suggests that one of the major benefits of decentralisation is that this is more likely to be achieved, possibly because of the non-accounting managers' greater influence over the accountant. The accountant who seeks detachment from clients in order to preserve his objectivity may be lessening the likelihood of his services being used.

Again there is little evidence to show that the problems regarding report usage lie in poor interpersonal relationships between accountants and non-accountants. The resolution of the problem may lie fundamentally in the resolution of power and structural relationships regarding the management accountant. These may not be resolved until the management accountants' clients are clearly identified as being operating managers.

Summary

Tests of association between the intervening and dependant variables failed to consistently support the research hypotheses. Where they did, the associations were often small and not very significant.

Generally conflicts over the attributes of the accountants and interpersonal relationships had little effect upon other factors studied.

The variable with the most pervasive association with other variables was that which measured the degree of influence the role sender believed he had over the focal role. This may be a tentative confirmation of the importance of participation.

Interaction, perhaps surprisingly, had few associations with other variables.

The study of accounting reports was associated with favourable evaluations with regard to their content. Where accounting reports were evaluated favourably then role conflict tended to be lower.

CHAPTER FOURTEEN

CONCLUSIONS AND IMPLICATIONS

The major question recurring throughout this work is who are the clients of management accountants. It has been argued that the clients will be the major factor moulding the ends served by the accountant and his controls.

The early chapters attempted to trace the development of clients and ends served by accountancy. Originally accountancy served to meet the stewardship and recording needs of owner-entrepreneurs. The growth in the size of corporations and the increased separation of ownership and control led to accountants being employed to protect shareholders from the financial excesses of managers.

The continuing growth of corporations necessitated more skilled management and less intuitive decision-making. Managers turned to accountancy for suitable information. Later, the development of budgeting provided senior managers with a means of specifying and evaluating the performance of subordinates.

Today most organisations face decisions of greater complexity as environments, particularly technological, change more rapidly. It has become more difficult for them to operate effectively with centralised decision-making and hierarchical structures. Instead an

increasing amount of decision-making has to be taken at lower levels of the hierarchy by multidisciplinary groups of managers. The role of top management may have altered to one of co-ordinating and motivating subordinates. Their specification of activities may be restricted to laying down broad strategic guidelines and making evaluations based on the attainments of subordinates over long periods of time.

Accountants undoubtedly continue to assist top management, particularly with regard to strategy formulation and long-run performance evaluations. The major question posed in the research however, was whether accountants, particularly management accountants, have adopted their role and services to meet the needs of new major clients, lower and middle level management. It was suggested that management accounting, with its application of Classical and Scientific Management concepts, has often failed to satisfy the decision-making needs of such clients.

The three major possible sets of clients for management accountants in an industrial organisation are likely to be shareholders, top management, and middle and lower level management. This work has concentrated upon the needs of the last two.

Figure I attempted to depict the basis of a contingency approach to management accounting structure and processes. If the major clients are top management who,

because of the nature of the organisation and its environment in which they operate, are able to maintain centralised decision making, then one might expect the function of management accounting to be providing top management with a control system which specifies and monitors subordinates' behaviour in detail. The role of the accountant would be similar to that of a 'policeman' for top management. Assuming this, he would need a degree of protection from subordinate managers. In addition he would be serving top management. Consequently one might expect to find him in a centralised and functional structure, which would bring him physically nearer, and closer to the protection of higher management.

It was argued that if the nature of the organisation and its environment required a more organic form of structure and management, then the clients of the management accountant would become middle and lower level management. They would seek a control system related more closely to their decision-making needs and expect the accountant to play a greater service role. In consequence one might expect to find the management accountant hierarchically and physically closer to such managers, in a decentralised structure.

Even so it is probable that some accountants would remain in a centralised structure in order to maintain financial functions and to assist top management in long-run performance specification and evaluation.

Thus it was claimed there were three major aspects of the management accounting problem worthy of investigation; the type of control system, problem solving or performance orientated; the role of the management accountant, service or stewardship; the structural relationships of management accounting, decentralised or centralised. The research was directed at investigating the latter two aspects, role and structure.

This led to the formulation of the research hypotheses illustrated in Figure 3 and described in Chapter Five. The major hypotheses relating to structure and role were:-

The greater the decentralisation of the management accounting department then:-

- (i) the more non-accountants would perceive the management accountant as playing a service role; (H.1.)
- (ii) the more the management accountant would conceive his role as service; (H.2.)
- (iii) the lower would be role conflicts perceived by non-accounting managers; (H.3.)
- (iv) the greater would be the interaction between the accountant and non-accounting managers; (H.4)
- (v) the less non-accounting managers would seek a reduction in the power of the accountant; (H.7)
- (vi) the less inclined to conflict would be interpersonal relationships between the accountant and the non-accounting managers; (H.10)

(vii) the more favourable would be non-accounting managers' evaluations of accounting reports; (H.13), and the more they would study them, (H.14)

Other hypotheses were made concerning relationships between variables, but these are not discussed further in this chapter.

Structure and the Role of the Management Accountant

Hypothesis I postulated that decentralised managers would have greater service expectations of their management accountant. Chapter 5 suggested that the role of the management accountant could be placed upon a continuum, one extremity representing a service role, the other stewardship. The dimensions upon which the role could be classified on this continuum were; identification of the accountant with top management to identification with lower and middle level management; providing performance-orientated systems to problem-orientated ones; impersonal relationships with non-accountants to more personalised ones; imposing the content and format of accounting reports upon managers to permitting the latter considerable influence; greater value put on accuracy of reports than speed, to the converse; high values placed upon quantification and tangibility in decision-making to the converse.

It was believed that the extremities depended on the ends pursued by the accountant, performance specification and evaluation or information for problem-solving.

Potentially the ends have a considerable chance of being in conflict with another. Whilst it is possible for an accountant to meet both ends, it was expected that most would not be able to reconcile the conflicts and would therefore play a role tending towards one of the extremities of the continuum.

The research methodology for the role questions was deliberately unstructured. One disadvantage of this was that it was not directly possible to quantitatively test Hypotheses 1 and 2. Any conclusions must be based on a subjective interpretation of responses to the role related questions.

A conclusion from such an exercise was that non-accounting managers usually held expectations that their accountant should perform a service role, regardless of their structural relationship with the accountant. (H.1).

This was clear regarding their expectations for the identification of their accountant. It was expected that he should identify with and be an active member of the management team. In dealing with other parties he was expected to act as a spokesman and representative of the group. The responsibility for stewardship, say in checking proposals once they had been formulated by the group, was believed to be with top management and their accountants, rather than the group's accountant.

Managers generally expected to be able to influence the content and format of accounting reports. Nor was there any marked difference according to structure

regarding expectations of impersonality of the accountant in relations with others. Very few managers held expectations of impersonality. Throughout the studies interpersonal relationships were inclined to harmony and showed little variation according to structure. This ran contrary to hypothesis 10.

Managers expected accounting reports to be both quick and accurate. Delays in reports were not perceived as resulting from an over-concern with accuracy on the part of the accountant but rather an inappropriate ordering of his priorities. Similarly managers expected their accountant to contribute an element of quantification and tangibility to decision-making and this assistance was valued. However where the accountant failed to attempt to quantify alternatives or was unwilling to estimate less tangible areas, there was invariably the criticism that he was unwilling to relate his work to the full implications of management decision-making.

Whilst managers held similar expectations for the role of the management accountant, whatever the structure, their perceptions of role conflict showed variations according to structure. Where variations occurred they did so as predicted in hypothesis 3. Role conflicts regarding the attributes of accountants (role conflicts-stylistic) showed little variation according to structure and were rarely sources of major problems. This reinforced the conclusion that problems surrounding management accounting did not lie in poor interpersonal relations

stemming from perceived deficiencies in accountant's personalities and characters.

The major differences in role conflict perceived by role senders in different structures lay in the three major information providing activities, (1) budget preparation, (2) budget publication and (3) special projects. The incidence of perceived conflict regarding their performance (role conflict activities) was lower in the decentralised organisations for all three activities. The decentralised managers also sought different allocations of their accountants time (role conflict-time) which were significant to two instances. Firstly, they did not seek such a large increase in time devoted to special projects and secondly, they did not seek the reduction in time given to budget publication that their centralised counterparts did.

The latter results concerning role conflict-time might be interpreted as meaning that the accountants in centralised structures were perceived as playing less of a service role, as they may have been seen as concentrating over much on the book-keeping activity of budget publication and neglecting the service activity of special projects.

However, contrary to expectations, managers under all structures sought changes and increases in time regarding the service activity of liaison. If anything the decentralised managers sought greater increases in

liaison than did the centralised ones. This is despite significantly greater rates of interaction between accountants and non-accountants in the decentralised structures (H.4). The lack of differences according to structure relating to the liaising activity could be due to increased expectations of managers following decentralisation. The qualitative responses of managers in the recently decentralised organisation and the post-change study suggest that decentralisation had forced their accountants to play a greater service role, including greater liaison. This was not unequivocally picked up in some of the quantitative role data however.

The major differences according to structure in role conflict-activities were concentrated in the two budgeting activities (1 and 2) and the special projects activity (3). The major benefit perceived by the non-accountants in decentralised organisations seemed to be related to the manner and form they received accountancy information, i.e. it was closer to their expectations.

This is reinforced by the fact that their evaluations of accounting data tended to be higher, as postulated in hypothesis 13.

The lower role conflicts surrounding the three information activities for decentralised managers, coupled with their more favourable evaluations of accounting reports, may be the major explanation for

the support found for hypothesis 14, i.e. managers in decentralised structures studied accounting reports more than centralised managers.

Generally then, support was found for the claim that structure can effect managers' perceptions of role conflict regarding their accountant and that structure may be a determinant of managers' usage and evaluations of accounting data.

It is possible that the major causes of the above possible gains from decentralisation arose out of the decentralised managers' greater ability to influence the content and format of the accounting reports he received. As explained in chapter 13, influence was discovered to be a very pervasive variable when associated with others. However managers' perceptions of influence showed little variation according to structure. It is felt that this may be due to the lack of sensitivity in the measures and questions used, rather than establishing proof that structure makes no effect upon managers' perceptions of influence.

No specific evidence was found to support the assertion that accountants restricted or manipulated information for their own ends, except with regard to role senders' stereotypes of accountants generally. Such claims were a basis for hypothesis 7; that accountants, particularly in centralised structures, were perceived as over-powerful by other managers, who

in consequence would seek a reduction in the power of the accountant.

The evidence in this research ran to the contrary. Where role senders sought a change in influence it was invariably for the accountant to have more. A considerable proportion of managers sought more influence over their accountant, not in order to diminish his influence over themselves, but rather so they could redirect his behaviour and so enable him to be more influential. The results are similar to Tannenbaum's work on influence within organisations.³ Role senders did not perceive the amount of influence within an organisation as being absolute, i.e. a 'zero-sum' situation. They sought an increase in influence generally by achieving greater levels of mutual influence between themselves and their accountant, i.e. by more shared decision-making.

It was apparent from the responses of managers, that power exercised by their accountant outside the framework of team decision-making would not be regarded as legitimate. Few such influence attempts were found however. Indeed the passivity of accountants in decision-making was a major source of complaint. Whilst managers generally held expectations of a service role for their management accountant, they expected this to extend to him interacting and participating with themselves not only on accounting matters, but on general management problems as well.

The accountants were frequently criticised by non-accountants for their absence or passivity at management meetings. Complaints that they were unable or unwilling to relate accounting data and an accountancy perspective on management problems were common. Often this was believed to stem from the accountants' lack of knowledge of managerial problems outside accounting ones. Such claims tend to support those of Tricker⁴ and Clements⁵ regarding the limitations of accountants in management.

Where accountants did play an active part in management decision-making then it appeared that they tended to exert an influence for conservatism, through their insistence on tangible measurement of alternatives and examining the financial repercussions of failure. Such contributions were sought by managers. It is probable that an accountant can satisfy service expectations and persist in showing high values upon quantification and tangibility in decision-making. The critical factor is more likely to be the extent to which he will put this viewpoint forward and how willing he is to modify or elaborate it when it is examined and debated by other managers.

The failure of accountants to adopt such an approach may simply be perceived by other managers as an abrogation of his responsibilities to the management team and it fails to reap the benefits of constructive conflict. The tendency for accountants to shy away from controversy

rather than confronting it often met with criticism. It is questionable whether accountants who gave priority to maintaining very harmonious interpersonal relationships with non-accounting managers, at the expense of pursuing an accounting perspective, succeeded in their aims of extending the effectiveness of management accountancy.

In examining the data and responses of accountants regarding their role three major concepts were employed; the accountants' desired roles, i.e. the roles they would personally prefer to play; their role conceptions, i.e. how they thought they should play their role given their own preferences and the expectations of others; and finally their role performance, i.e. how they actually played their role.

It was found that the accountants studied tended to have two major categories of role preferences, either book-keeping or service. The book-keepers tended to conceive and play their role in line with their preferred role.

The book-keeping role was inclined to correspond to the dimensions used previously to define a stewardship role. The major exception was probably the dimension of consciously attempting to influence decisions by hierarchical reporting. The book-keepers sought a more passive role for themselves. They were more likely see their major task as being the maintenance of records,

and perhaps scorekeeping, but preserving their neutrality by abstaining from management decision-making. Such behaviour has similarities to 'laissez-faire' styles of leadership.⁶

With hindsight, a book-keeping rather than a stewardship role may be more likely to be the one pursued by accountants holding strong traditional accounting values. Their concern is likely to be independence from power cliques in order to maintain the accuracy of their records. The ends to which the data is put may be seen as the concern of others. However in rejecting the influence of others their systems may become historically orientated and biased towards performance specification and evaluation as they are derived from traditional models and assumptions. The resulting hierarchical reports may lead other managers to perceive the book-keeper as being actively biased, for his products may tend to be used for bureaucratic and short-term ends. What such accountants perceive as neutral role behaviour may be perceived by others as being manipulative.

Most of the accountants studied rejected a book-keeping role and preferred and conceived their role as service. They sought to reduce the book-keeping elements of their tasks in order to spend more time interacting with and assisting other managers.

There was no evidence to show that structure was a major determinant of the accountants' preferred role or his role conception (H.2). Only one of the three book-keepers was found in a centralised structural relationship. It is possible however that decentralisation may serve to reinforce a service role conception of accountants with service preferences by providing greater legitimation to their preferences. The accountants' sources of satisfaction from his role and his desired career progression appeared to be more important determinants of his preferred and conceived role than structure.

One of the most interesting points arising out of the research was that many of the accountants were unable to play the service role sufficiently to meet the expectations of either themselves or other managers. The high degree of specification for their book-keeping activities and the lack of such specification for service activities led to a concentration on the former. This was partly caused by the fact that neglect of book-keeping activities was so quickly and tangibly apparent, whereas neglect of the service activities would not be so. A major determinant of the extent to which the accountant could satisfactorily fulfil a service role may have been the type of technical system used to produce the accounts. Where effective computerisation of book-keeping activities had been achieved then the accountants seemed more able to play a service role.

Decentralisation may have forced some of the accountants to play a greater service role due to their greater exposure to the expectations of other managers and their greater dependence upon them. However the problems emanating from the book-keeping activities often remained. The gains from accountants playing a greater service role had to be offset against the greater stress placed upon the accountants by the extra work involved and their greater awareness of unfulfilled service expectations.

Previous studies have tended to explain the inclination of accountants to play a book-keeping role as being due to the bureaucratic orientations engendered in training.^{4,5} Such orientations may be reinforced by the simple recurring decisions arising out of the tasks undertaken in training. In addition little experience of other departments is required or gained during most training schedules. These claims may be true. From the research it is not possible to comment upon the effect of the accountants' early training and socialisation within accountancy. The research did indicate however, that accountants were perceived as having difficulties in contributing to management decisions, possibly due to a lack of knowledge of other managerial functions. If this is to be rectified then it may be necessary for accountants to gain more knowledge and experience of functions other than accounting. Other managers most commonly quoted

production management and industrial relations as being areas where the accountant lacked knowledge. It may be that accountancy training and education lacks sufficient breadth for many called upon to fulfil the demands of management accounting positions.

One can sympathise with the dilemma of accountancy Institutes as they are faced with conflicting demands for both greater breadth and depth in their qualifying process. It would be unfair not to note that they have made some steps to increase the range of subjects examined. The danger of training and examinations which neglects other functions may be that accountants are unprepared for the demands of more senior management accounting positions. If the training concentrates on the routine and simple internal accounting problems, then the danger is that it may appeal to those who derive satisfactions from a book-keeping role. However the role requirements and satisfactions derived from senior management accounting positions may be very different. The result may be stress and dissatisfaction for the book-keepers, whilst the potential service accountants may have quit accounting because of frustrations engendered in training.

The Structure of the Management Accounting Department; Centralised or Decentralised?

The effects of structure upon the other research variables have been discussed earlier in this chapter

and previous chapters. The intention of this section is to trace more general implications arising from structural relationships of accountants, bearing in mind the various clients and ends they serve.

In the research sites where policies of decentralisation generally had occurred, or were being discussed, it was the accounting function which seemed to present the greatest problems. Brown's⁷ experiences at Glacier Metal tended to be confirmed and his comments regarding the ends of accountants remain pertinent.

As he and other writers^{7,8} claim, there seemed little benefit accruing to decentralising the financial accounting function. There remains in organisations a need for accurate financial recording and stewardship. Part of the stewardship function is met by outside auditors. However company law; legal and moral obligations to external bodies such as shareholders, potential investors, creditors and perhaps employees; and the needs of prudent financial management all necessitate the maintenance of accurate records of flows of assets and liabilities. This end of accurate transcription of financial history is clearly the task of financial accountants within the organisation. Their major clients are the directors, who are in turn responsible to the aforementioned external groups for meeting their information requirements. The ultimate clients therefore of the finance function are external bodies,

particularly shareholders. The financial accountants are protected from pressures to manipulate data emanating from directors by the existence of auditors. The financial accounts are not primarily provided for internal management decisions. Centralisation of the financial accounting function enables the advantages accruing to such a form of structure to be taken, as well as furthering the protection of such accountants from management manipulation.

The accounting needs of management within an organisation are met mainly by the management accounting function. Those who have studied the structural relationships of the management accountant have usually recommended decentralisation.^{7,9,10} Implicitly they are saying that the clients of management accountancy are middle and lower level managers and in consequence they should be the major determinants of the management accounting service they receive. It is claimed that where managers receive a service close to their expectations then they are more likely to use it. This research tends to support these conclusions. An additional benefit may be that the accountant is perceived as less of an outsider playing a 'policeman' role, therefore communications and interpersonal relationships are improved. The research tended to indicate that interpersonal relationships did not present major problems, regardless of structure. The major benefit of decentralisation appeared to be that

managers received management accounting information and services more closely related to their problem-solving needs. With decentralisation the major clients of the management accountant become middle and lower level management.

Despite his own and other research results the researcher is still unconvinced that a blanket recommendation for the decentralisation of management accountants can be made. Much may depend on the point at which decisions are made in an organisation. If, because of say high rates of environmental change, decision-making is decentralised, then clearly much of the management accounting must be decentralised to assist lower level managers in resolving problems. Considerable delegation and decentralisation is also possible in large mechanistic organisations operating in stable environments¹¹ i.e. top managers may delegate the detailed performance specification and evaluation to lower points in the organisation. If this is the case then again much of the management accounting may have to be decentralised to that level of decision-making. However in such cases the accounting controls may be more biased towards performance specification, than in the previous case. If centralised decision-making can be maintained and subordinates' behaviour be closely specified and evaluated, then the major clients of

management accountants may continue to be top management. The ends served by the accounting reports may be performance specification and evaluation. In such instances the stewardship role of the management accountant might be legitimate and be best performed within a centralised accounting structure.

Even if it is accepted that decentralised management accountancy is required, it is likely that top management may still need an accounting system which is performance orientated. With decentralisation top management does not abdicate responsibility for the performance of subordinates. Their specification is however likely to be confined to areas of strategic importance and achievements of subordinates may be measured by reference to their achievement of key long-run strategic goals. It is likely that some management accountants will continue to serve top management with regard to long-run performance evaluation and specification. They are likely to be located in a central accounting unit close to top management.

The above comments on structural relationships and the role of the accountant attempt to show the need for a recognition that they may vary according to clients and ends. It is the writer's belief that failure to do so is a major cause of conflicts surrounding accountants.

In some subsidiary companies researched the accountant had to serve several clients and ends as the volume of work did not justify the employment of more than one

senior accountant. Such situations may have a high potential for role conflicts. The organisations that reported least problems in such instances were those that identified the major clients of the decentralised accountant as being the managers of the decentralised unit, consequently the accountant was subordinate to the general manager/managing director. It was recognised that this could lead to problems if the managers of the decentralised unit were to put pressure on their accountant to manipulate financial data. No absolute safeguard to prevent this was possible. The possibility of this happening was reduced however by the accountant having a remaining relationship with central finance which provided a safety hatch through which such disputes might be sent. In addition it was recognised that the final responsibility for accurate financial accounts lay with the general manager concerned. The responsibility of the accountant was restricted to giving him sound advice.

Non-Accounting Managers' Expectations and Evaluations of Management Accountancy; Problem Oriented or Performance Oriented?

The literature review in Chapter Two suggested that management accounting was insufficiently developed for other than programmed decision-making and that it remained over-concerned with performance specification and evaluation. These failings may be a major cause of

conflicts between accountants and non-accounting managers and the reported failures of the latter to use accountancy information.

Chapter Five claimed that different types of management accounting systems may exist depending on the clients and ends served; problem-oriented systems serving the decision-making needs of middle and lower level management; performance-oriented systems serving the needs of top management. The effectiveness of the type of system may depend on its appropriateness to the organisational needs, which in turn may largely be determined by the rate of environmental change. This is illustrated in Figure One.

The two types provided conceptual extremities for a continuum upon which management accounting systems might be classified. Suggested variables for so classifying accounting systems were; hierarchical and restricted information flows to diffuse and open ones; imposed targets and formats to mutually agreed ones; tight or ideal standards to standards being set with reference to aspiration levels; a high degree of specification of behaviour to little; reports used as performance evaluations to not so; data restricted to conventional accounting types to the inclusion of other data.

The research did not specifically attempt to classify each organisation's management accounting system along such a continuum. However it was clear from responses of

non-accounting managers that the dilemma over ends existed and was often recognised. Many of the problems and conflicts emanated from the suggested classificatory variables.

For example, hierarchical reporting where it existed, or had existed, was invariably resented. It was not the legitimacy of higher level management receiving accounting reports concerning subordinates which was questioned by the latter, but rather the practice of accountants sending the reports vertically up the hierarchy before subordinates had seen and commented upon them. Such behaviour rendered subordinates unprepared for criticisms from their superiors which arose out of the reports. The subsequent resentment of subordinate managers was compounded in instances where it was subsequently found that the criticisms had been based on incorrect data which could have been rectified had they initially been able to check it out. The claim by Argyris⁹ and McGregor¹² that budget results should be restricted to their subjects seemed unnecessary and unimportant. It could result in the loss of a useful co-ordinating tool for higher management. The question of timing of receipt within the hierarchy seemed more critical.

As the above implies, managers had an expectation of participating in management accountancy. With regard to target setting this expectation was generally met, though the reality often was felt to be unsatisfactory due to its rushed nature and the inaccessibility of accountants. The managers' lack of participation in determining

the content and format of management accounting controls and reports was a more serious problem and was a major source of conflict. Participation over targets may appear to be 'pseudo-participation' if managers are unable to influence the framework within which targets are set.

Few examples of imposed targets resulting in conflicts were discovered. Similarly no examples of tight target setting were found. Neither were there any examples of managers deliberately taking account of aspiration levels when agreeing targets. Possibly this is an over-sophistication which is impossible to carry out effectively in practice, as critics^{13,14} of Stedry's work^{15,16} claim. This is not to say that line managers did not see budgeting as a useful motivating aid. Several sought to extend the process down to first line supervision. They believed this would be useful in securing greater commitment by supervisors to agreed goals as well as improving their decision-making through having more relevant information.

The degree of specification of tasks set by management accountancy did not arise as a problem except where opportunities for budget revision were inadequate. However in the absence of direct questions and measures in the research it is difficult to comment on its significance.

However several instances where managers perceived their management accounting controls to be serving as

short-run performance evaluations gave rise to conflict. It frequently brought defensive behaviour on the part of the measured. Subjects with such perceptions were the only ones to admit to manipulating data. Their reactions to accounting reports tended to be defensive, e.g. to dispute the accuracy of the data. In one set of cases their distrust of the system was so great that they attempted to maintain their own accounting system, which was the one they used for decision-making, as well as a basis for contesting the official system. Such results illustrate the limitations of using management accountancy for performance specification and evaluation where such ends are not regarded as legitimate. The result may simply be inaccurate data and dysfunctional defensive behaviour. It may very likely lessen the extent to which managers will use accounting data for problem solving.

The final variable suggested for classifying management accounting systems was that regarding data content. The research found a number of managers who questioned the limited scope of information presented by their management accountant. In one organisation steps were being taken to integrate the management accounting system with other information and control systems e.g. those of industrial engineering and to develop it to include labour statistics as well. If such 'total information' systems are created then the required role and skills of their developers may well need to be wider than those traditionally expected of the management accountant.

The evidence obtained from the research intimated that most of the suggested classificatory variables for measuring management accountancy control systems reflected genuine problems within the organisations studied, and could be developed to form the basis for developing a typology of management accounting systems, based ultimately on the ends they served.

The research revealed little evidence of non-accounting managers seeking a performance-oriented type of management accounting system in preference to a problem-oriented one. The researcher still believes however that performance-oriented systems may exist and be effective in certain types of organisation, say those with mechanistic organisation structures which are operating in stable environments.

The effect of organisational and environmental factors upon the type of management accounting system was postulated in Figure One. These were possible hypotheses which were not included in the formal research design. The degree of environmental change confronting the organisation was believed to be particularly significant.

It was apparent in all but two of the organisations studied that environmental changes were forcing them to adopt different forms of organisation and styles of management. In particular the locus of short-run decision-making powers were being delegated to newly created teams of managers drawn from a range of functions. In some cases

this was due to the increased turbulence of raw material markets. For most of the organisations the greater competitiveness in depressed markets necessitated quicker and more effective decision-making. Additionally many decisions which previously could have been made by an individual specialist needed now to be related to their implications for industrial relations.

It was the opinion of the researcher that such changes had a direct effect upon managers' preferences regarding the type of management accounting system they were served by. Increasingly they sought a problem-solving oriented system. The failure of their accounting systems to meet such expectations was a major source of conflict.

The researcher was left with an impression that the greater exposure of managers to accounting data and services in recent years, coupled with greater training, has led to an increased awareness of its potential and value. This may explain the research results indicating the high value put on accounting information by managers and their high rates of using it, which run contrary to the results of some earlier studies.^{17,18} A major problem was that the reality of the accounting contribution often failed to meet their aroused expectations.

Future Research Needs

As the researcher has indicated the small sample and its representativeness must limit the ability for

authoritative generalisations to be made from this research. The research also contains possible methodological problems surrounding the validity and reliability of the measurement of variables. In consequence study and research on the role of accountants warrants further work.

Such a work might also incorporate the effect, if any, of the various modes of training and socialisation undergone by accountants. Whilst much has been written on this, there has been little research on the topic. Training and socialisation may be important determinants of accountants' preferred career patterns and how they interpret their roles within business organisations.

The researcher was surprised at the extent of the identification by accountants with the line and the number who sought positions in line management. Further examination of these phenomena might be warranted, particularly with respect to the design and enactment of management accountants' roles and possible avenues of training and promotion. It may be that the management accounting and financial functions are not so closely related tasks as is often assumed. Both may require different skills and orientations and offer different satisfactions. It could be that the management accounting role is developing from its base of accountancy into a wider role of information provision for problem-solving. In addition the management accountant may increasingly be expected to relate his work to managerial implications and be involved himself in general management decision-

making. If this is the case then it may be that the management accountant now has a closer affinity to general management at a sub-unit level (e.g. division, factory, department) than the finance function. The implications of this are worthy of future research. Certainly research attempting to investigate how the content of management accounting information may be widened seems justified and reflects needs and developments happening in some organisations.

A major factor determining the stress felt by the management accountant and his ability to play a service role seemed to be the extent of effective computerisation of his book-keeping activities. It may be possible to categorise accountancy technical systems along a technological continuum. If so, then it may be found that changes in the administrative technology are forcing changes in the management accountants' role. Consequently the role may require individuals with different skills and orientations. Work on the types and effects of different administrative or control technical systems has not been developed to the same extent as work on production technical systems. It is possible that the former may be as significant to questions of organisational design and methods of management.

Whatever the results of such work might be, it is clear from the research that there is a need to examine the way a management accountants job is designed. A more even flow of inputs and outputs would perhaps help reduce the stress endured and enable a greater

fulfilment of the service activities. Additionally greater specification of the service activities might increase the recognition of their importance and make it more likely they are effectively carried out. There may be a case for separating the book-keeping and service activities and placing them with different positions. This is likely to ensure that the service activities are performed.

A major area, in the writer's opinion, in need of research is that outlined by the hypothesised set of relationships summarized in Figure One. As has repeatedly been stressed in this work, management accountancy may serve different clients and ends according to organisational factors which in turn may be determined by rates of environmental change. The researcher is of the belief that no 'one best way' of management accounting can be prescribed as effective for all organisations. The failure to recognise the existence of different types of management accounting systems may inadvertently lead to systems being adopted which are inappropriate to the needs of the organisations that they are intended to serve. Management and organisation theory has developed from attempts at single prescriptive approaches to situational or contingency approaches. A similar development of management accounting theory may be possible, particularly given its close affinity to and development from management concepts.

Finally, the writer believes much can be gained from viewing subjects in the light of their historical pers-

pectives. Unfortunately he was unable to find a text which comprehensively traced the practical and intellectual development of management accountancy in Britain up to the present day. This is a gap worthy of being filled.

APPENDIX AQUESTIONS TO EACH FOCAL ROLE AND THE
SCALED RESPONSES

Prior to all of the interviews the researcher explained the reasons for his interview with the following.

My name is Trevor Hopper and I'm a lecturer in Business Studies at Wolverhampton Polytechnic. Prior to this I worked as an accountant in industry.

I am presently conducting a piece of research in my spare time at the Management Centre of the University of Aston. When it's finished I hope to get a higher degree.

I am looking at the role of the management accountant; what he does; what he thinks he should do, and what other managers think he does and should do. I also want to see how the accountant gets on with other managers and what managers think of the information he provides. I also want to see what affect organisation structure has, so I'm looking at a large number of accountants in various organisations so I can make comparisons.

The reason why I'm looking at you (your accountant) is simply that you and your firm has been good enough to give me research facilities. This interview is confidential. It is not a job assessment, nor will any reports go back to any one else in this firm. When I write up the results I shall attempt to keep responses unattributable by not naming any person or organisation.

My aim is research. I hope it will yield results

which will be of use to other managers. I may publish the results in a management journal and perhaps it may help provide useful material for management courses.

I think that has explained who I am and what I'm doing. Have you any questions you would like to ask me?

The questions are varied. I shall ask you set questions on my sheet. Feel free to make any comments you think fit. If I want more detail or explanation then I shall ask you. I will take a rough note of what you say otherwise with so many interviews being conducted I shall forget who said what, where.

INTERVIEW ONESECTION A - GENERAL INFORMATION

Question Number

1. How old are you?
2. What qualifications do you hold?
3. What is the title of your job?
4. How long have you held this position?
5. How long have you worked for this company?
6. How long have you worked in accounting jobs?
7. Could you briefly tell me about these jobs?
- 8a) Have you had any non-accounting jobs?
If yes
- b) Could you briefly tell me about them?

SECTION B - DESCRIPTION OF FOCAL POSITION

1. How would you describe your job to someone who knows absolutely nothing about it?
2. I will want to refer back to the major activities involved in your job, so I would like to try to organise them into a list now. Can you tell what should be included in such a list?

SECTION C - CAREER

1. What were the reasons for you deciding to become an accountant?

2. How did you visualise your career at that time?
3. Have you changed your plans and aspirations since? If so, how?
4. To what extent do you feel you are meeting your ambitions in your present job?

Response & Score	Not at all 1	Very little 2	Some-what 3	Quite alot 4	Entirely 5	Total
Main study	0	0	5	5	2	12
Post-change study	0	0	2	2	0	4

5. How do you see your future? Do you have any plans to change your job?

	Yes	No	Total
Main study	6	6	12
Post-change study	1	3	4

SECTION D - DETERMINATION OF ROLE SET AND STRUCTURE

1. Who is your immediate superior - the person you report to directly? What is his position in the company?

	Manager in accounting position 1	Manager in non-accounting position 2	Total
Main study	6	6	12
Post-change study	4	0	4

2. Is there anyone else you report to? Anyone else to whom you are directly responsible for some of your activities?
3. Are there any other people you have to be concerned with, either because their work affects you, or your work affects them?
4. Are there any other people who are important to you personally - with whom you might discuss your work?
5. What department is your job held to be in?

	Separate central accounting department 1	Accounting department attached to function 2	A non-accounting department 3	Total
Main study	6	6	0	12
Post-change study	0	4	0	4

6. Where is your office located?

	In separate central accounting department 1	Accounting department attached to a function 2	A non-accounting department 3	Total
Main study	4	8	0	12
Post-change study	4	0	0	4

7. Where are the bulk of your records and information needed for your position kept?

In separate central accounting department 1	Accounting department attached to a function	A non-accounting department
Question ceased to be scored during the study due to the difficulty in accurately scaling responses.		

8. How long would it take the non-accounting managers whom you deal with to get to meet you personally?

	Over 1 hour	30-60 mins.	10-30 mins.	3 to 10 mins.	Less than 3 mins.	Total
Main study	Question ceased to be scaled due to the					
Post-change	difficulties in scoring the responses.					

SECTION E - SOURCES OF ROLE DEFINITION

1. How do you know what you are supposed to do in this job? How do you find out about your responsibilities?
2. To what extent do written documents e.g. job descriptions, memos, help you determine your responsibilities?

	Not at all 1	Very little 2	To some extent 3	Quite alot 4	Very much 5	Total
Main study	2	2	4	2	2	12
Post-change study	1	1	2	0	0	4

3. What about your professional training as an accountant? What influence has this had upon your determination of responsibilities?

	Not at all 1	Very little 2	To some extent 3	Quite alot 4	Very much 5	Total
Main study	1	2	5	1	2	11
Post-change study	0	0	0	0	0	0

4. To what extent are you personally able to decide what responsibilities you should undertake? To carve out your own area of responsibility?

	Not at all 1	Very little 2	Somewhat 3	Quite alot 4	Very much 5	Total
Main study	0	1	4	5	2	12
Post-change study	1	0	1	2	0	4

SECTION F - ROLE AMBIGUITY

1. Do you always feel as clear as you would like to be about what you should be doing in this job?

	Yes	No	Total
Main study	9	3	12
Post-change study	3	1	4

2. How clear would you say you are on most things?

	Absolutely clear 1	Very clear 2	Somewhat clear 3	Not very clear 4	Not at all clear 5	Total
Main study	4	7	1	0	0	12
Post-change study	3	0	1	0	0	4

3. If responses 3, 4 or 5 in Question 2:

a) Could you tell me about the things you are not clear about?

b) How do you resolve these difficulties?

4. Do you feel you are always as clear as you would like to be about the limits of your authority in your present position?

	Yes	No	Total
Main Study	8	4	12
Post-change study	4	0	4

5. How clear would you say you are usually on the limits of your authority?

	Absolutely clear 1	Very clear 2	Somewhat clear 3	Not very clear 4	Not at all clear 5	Total
Main study	1	7	3	1	0	12
Post-change study	2	2	0	0	0	4

6. If responses 3, 4 or 5 in Question 5:
- a) Could you tell me about the aspects where you are not clear about the limits of your authority?
- b) How do you resolve the difficulty?

SECTION G - ROLE OVERLOAD

- 1a) How much pressure do you feel toward doing more work?

	Not at all 1	A little 2	Some 3	Quite alot 4	A great deal 5	Total
Main study	2	3	6	0	1	12
Post- change study	0	0	0	2	2	4

If responses are 3, 4 or 5 above:

- b) How do you feel about this? Is it reasonable?
What is the source?
2. Are there ever any times when the amount of work you have to do looks like it might interfere with how well it gets done?

	Never 1	Rarely 2	Sometimes 3	Rather often 4	Nearly all the time 5	Total
Main study	0	4	4	4	0	12
Post- change study	0	0	1	2	1	4

SECTION H - SOURCES OF SATISFACTION IN THE JOB

Now I would like to turn to the satisfactions you get from your job. Some jobs seem just right for some people, but others would not be very happy in them. Often it takes us some time to know what we really want out of a job.

1. What do you look for in a job? What makes a job a good one for you?

2. What are some of the things that would make a job bad for you?

(A list of job features was drawn up from the above questions. For each feature mentioned the following question was asked.)

3. How do you feel about your present job in these respects? To what extent has it this feature?

- | | |
|---|------------|
| 1 | Very much |
| 2 | Somewhat |
| 3 | A little |
| 4 | Not at all |

4. What aspects of your job do you find most satisfying?

5. What do you find least satisfying in your job?

6. If you could redesign your job so that it would be most satisfying for you, what would you like to have changed about it?
7. All things considered, how satisfied are you with your job?

	Very satisfied 1	Somewhat satisfied 2	Neither satisfied nor dissatisfied 3	Somewhat dissatisfied 4	Very dissatisfied 5	Total
Main study	6	5	1	0	0	12
Post-change study	3	1	0	0	0	4

SECTION I - STRESS

1. Do you feel that your job imposes some stress and pressure beyond that which most people experience?

	Much more 1	A little more 2	Same 3	A bit less 4	A lot less 5	Total
Main study	2	4	3	2	0	11
Post-change study	2	2	0	0	0	4

2. How stressful then do you find your job?

	Considerably 1	Somewhat 2	Not at all 3	Total
Main study	1	10	1	12
Post-change study	3	1	0	4

3. What are some of the conditions or situations you have to deal with that you think are particularly stressful or pressure inducing?
4. As you see it, what leads to your feelings of stress?
5. When you get into a situation of stress or exceptional pressure, what do you usually do to handle the situation?

INTERVIEW 2

SECTION J - ROLE CONFLICTS

(For each activity included in the list of activities for the focal role the following questions were asked.)

1. Everyone has some idea about how they should divide their time and possibly spend more or less time on certain tasks. Could you pick out the statement which best represents how much time you would like to spend on this activity?
 - 3 A great deal more than I do now
 - 2 Somewhat more than I do now
 - 1 A little more than I do now
 - 0 The same as I do now

- 1 A little less than I do now
 -2 Somewhat less than I do now
 -3 A great deal less than I do now

Activity	Main Study		Post-change Study		All	
	Mean score	Number	M. S.	N.	M. S.	N.
1 Preparing budgets	.73	11	-1.00	4	.27	15
2 Producing budgets	.27	11	-1.00	4	-.07	15
3 Special projects	1.10	10	.75	4	1.00	14
4 Liaising	2.09	11	2.50	4	2.20	15
5 Stocks	.43	7	0	1	.38	8
6 Other service	1.50	4	0	4	.75	8
7 Other regular reporting acts, requiring liaison	.98	7	.67	3	.60	10
8 Other book-keeping acts	-.38	8	0	2	-.30	10
9 Miscellaneous	.45	11	0	1	.42	12
All	.75	80	.26	27		

2. I would also like to find out the importance which you attach to each of your activities. Could you tell me how important a part of your job you feel this activity is?

- 1 Not at all important 3 Somewhat important
 2 Not very important 4 Very important

Activity	Main Study		Post-change study		All	
	Mean score	Number	M. S.	N.	M. S.	N.
1 Preparing budgets	3.82	11	4.00	4	3.87	15
2 Producing budgets	3.73	11	4.00	4	3.80	15
3 Special projects	3.80	10	3.75	4	3.79	14
4 Liaising	3.64	11	4.00	4	3.73	15
5 Stocks	3.86	7	4.00	1	3.88	8
6 Other services	3.50	4	3.75	4	3.63	8
7 Other regular reporting acts. requiring liaison	3.43	7	3.67	3	3.50	10
8 Other book-keeping acts	2.88	8	3.50	2	3.00	10
9 Miscellaneous	3.64	11	4.00	1	3.67	12
All	3.61	80	3.85	27		

4a. Have there been occasions when some of the people around you have different opinions about what you should be doing in this activity or how you should be doing it? If so, how often does this happen?

- 0 Never
- 1 Rarely
- 2 Sometimes
- 3 Very often

b. If responses 2 or 3

Can you tell me about them?

c. What do you generally do when this happens?

If no response to 4a.

a) Have there been times regarding this activity when one person wants you to do one thing and other persons want you to do something else?

If so, how often?

0 Never

1 Rarely

2 Sometimes

3 Very often

b) If responses 2 or 3

Can you tell me about them?

c) What do you generally do when this happens?

Activity	Main Study		Post-change Study		All	
	Mean score	Number	M. S.	N.	M. S.	N.
1 Preparing budgets	1.46	11	1.75	4	1.53	15
2 Producing budgets	1.55	11	1.25	4	1.47	15
3 Special projects	.60	10	.50	4	.57	14
4 Liaising	1.27	11	1.00	4	1.20	15
5 Stocks	1.14	7	2.00	1	1.25	8
6 Other services	.25	4	.75	4	.50	8
7 Other regular reporting acts, requiring liaison	.29	7	2.33	3	.90	10
8 Other book-keeping acts	1.00	8	1.00	2	1.00	10
9 Miscellaneous	1.10	10	3.00	1	1.27	11
All	1.05	79	1.30	27		

SECTION K - ROLE RELATIONS

Now I would like to ask you some questions about some of the people you have to deal with in the course of your job. I would like to ask you about (names of significant persons in the role set).

For each of the above the following questions were asked.

1. How important is this person in determining how you do your job?

- 1 Extremely important
- 2 Very important
- 3 Quite important
- 4 Not very important
- 5 Not at all important

2. (Ambiguity-Activities)

As far as you know, doesusually let you know when he expects or wants something from you, or does he often keep these things to himself?

- 1 Always lets me know
- 2 Usually lets me know
- 3 Sometimes lets me know
- 4 Usually doesn't let me know
- 5 Never lets me know.

3. (Ambiguity - Evaluations)

Do you usually feel that you know how satisfied he is with what you do?

- 1 Always know where I stand
- 2 Usually know where I stand
- 3 Sometimes, sometimes not
- 4 Often somewhat in the dark
- 5 Usually don't know where I stand.

4. (Intra-sender conflict)

a) How often does he ask you to do things which conflict with previous requests he has made?

- 1 Never
- 2 Very occasionally
- 3 Sometimes
- 4 Quite often
- 5 Very often.

If responses are 3, 4 or 5

b) Can you tell me about them?

5a) How often have there been occasions when he has had different opinions to yourself about what you should be doing in any of your activities, or how you should be doing them?

- 1 Never
- 2 Very occasionally
- 3 Sometimes
- 4 Quite often
- 5 Very often

If responses 3, 4 or 5

b) Can you tell me about them?

6a) When you have to work together to make joint decisions, do you have difficulty in agreeing?

- 1 Not at all
- 2 Not much
- 3 Somewhat
- 4 Very much
- 5 Always

If responses 3, 4 or 5

- b) Can you tell me about such times?

SECTION M - PERSON-ROLE FIT

Many positions in industry require that a person has not only certain technical skills and experience, but also certain personality characteristics or particular talents.

1. Thinking of your own job, what sort of personal characteristics do you feel a person ought to have to be good at your job?
2. What sort of characteristics might lead a person to do poorly?

(For each attribute specified, the following questions were asked).

3. Are there times when being might lead to difficulties?
4. To what extent do you feel you have this characteristic?
 - 1 Considerably
 - 2 Somewhat
 - 3 Very little
 - 4 Not at all.
5. Do you have any traits that make you particularly suited to this job?

APPENDIX BQUESTIONS TO EACH ROLE SENDER AND THE SCALED RESPONSES

Prior to commencing the interview the explanatory preamble in Appendix A was given.

SECTION A - GENERAL INFORMATION

1. What is the title of your job here?
2. Could you briefly tell what you have to do in this job?
3. How long have you held this job?

SECTION B - ROLE SENDER'S CONCEPTION OF FOCAL POSITION

1. How long have you known Mr.....
2. If you had to tell someone who knows nothing about Mr....., or his job, how would you describe his job?
3. Does he have any other major responsibilities?
4. What specific things does have to do to meet these responsibilities?
5. Does he have any responsibilities in the company outside his regular job e.g. special committees?

INTERACTION

6. How often do you talk with

No. of responses	¹ Almost constantly	² Several times a day	³ Once or twice a week	⁴ Several times a week	⁵ About once a week	⁶ A few times a month	⁷ Less than a few times a month	Total
Main study	1	14	7	16	4	3	1	46
Post-change study	0	0	8	6	1	1	0	16

7. Regardless of how often you talk with each other how often do you and Mr. see each other?

No. of responses	¹ Almost constantly	² Several times a day	³ Once or twice a week	⁴ Several times a week	⁵ About once a week	⁶ A few times a month	⁷ Less than a few times a month	Total
Main study	4	11	10	13	6	2	0	46
Post-change study	0	0	3	11	1	1	0	16

SECTION C - ROLE CONFLICTS ACTIVITIES

Here is a list of several things.....might do as part of his job.

Now I should like to talk to you about these activities one at a time, and I shall ask you a series of questions about each.

2. How important a part of 's job do you feel this activity is?

- 1 Not at all important
 2 Not very important
 3 Somewhat important
 4 Very important

Activity	Main Study		Post-change Study		All	
	Mean score	Number	M. S.	N.	M. S.	N.
1 Preparing budgets	3.78	41	3.94	16	3.82	57
2 Producing budgets	3.93	41	3.73	15	3.88	56
3 Special projects	3.54	37	3.71	14	3.59	51
4 Liaising	3.78	40	3.81	16	3.79	56
5 Stocks	3.64	28	4.00	3	3.68	31
6 Other service	3.21	14	3.50	16	3.37	30
7 Other regular reporting acts. requiring liaison	3.45	22	3.60	10	3.50	32
8 Other book-keeping acts	3.47	30	3.86	7	3.54	37
9 Miscellaneous	3.46	41	4.00	2	3.48	43
All	3.63	294	3.75	99		

3. Regardless of how important they are to Mr.'s job some of these things probably make a bigger difference to your own job more than other things. From the standpoint of how it affects your own job, how much

does it concern you that this gets done properly?

- 1 Not at all
- 2 Not so much
- 3 Somewhat
- 4 Very much

Activity	Main Study		Post-change Study		All	
	Mean score	Number	M. S.	N.	M. S.	N.
1 Preparing budgets	3.38	42	4.00	16	3.88	58
2 Producing budgets	3.69	42	3.94	16	3.76	58
3 Special projects	3.58	38	3.56	16	3.57	54
4 Liaising	3.62	42	3.88	16	3.69	58
5 Stocks	3.37	27	3.00	4	3.32	31
6 Other service	3.29	14	3.75	16	3.53	30
7 Other regular reporting acts. requiring liaison	3.43	21	3.50	12	3.45	33
8 Other book-keeping acts	3.06	32	3.25	8	3.10	40
9 Miscellaneous	3.15	40	2.50	4	3.09	44
All	3.48	298	3.67	108	3.53	406

4. Everyone has some idea as to how he would like others around him to divide their time, Regarding this activity how much more or less time would you like to spend on it?

- 3 A great deal more than he does now
 2 Somewhat more than he does now
 1 A little more than he does now
 0 Same as does now
 -1 A little less than he does now
 -2 Somewhat less than he does now
 -3 A great deal less than he does now.

Activity	Main Study		Post-change Study		All	
	Mean score	Number	M. S.	N.	M. S.	N.
1 Preparing budgets	.25	40	.44	16	.30	56
2 Producing budgets	-.10	40	.19	16	-.02	56
3 Special projects	.87	37	.60	15	.79	52
4 Liaising	1.20	41	1.13	16	1.18	57
5 Stocks	.25	24	1.00	2	.31	26
6 Other service	1.21	14	1.40	15	1.31	29
7 Other regular reporting acts, requiring liaison	.11	18	-.20	10	0	28
8 Other book-keeping acts.	-.23	26	-.63	8	-.32	34
9 Miscellaneous	.22	32	0	2	.21	34
All	.42	272	-.53	100		

5a. Nearly everyone has some things he would want people he works with to do differently. Would you like..... to do this activity exactly the way he is now, or do you feel he should do it any way differently than he does now?

- 0 Same
 1 Slightly different
 2 Somewhat different
 3 Very different
 Don't know

If change indicated

b. How would you like him to do it differently?

Activity	Main Study		Post-change Study		All	
	Mean score	Number	M. S.	N.	M. S.	N.
1 Preparing budgets	.88	41	1.19	16	.97	57
2 Producing budgets	1.11	35	1.19	16	1.14	51
3 Special projects	.61	33	.85	13	.67	46
4 Liaising	.85	33	.63	16	.78	49
5 Stocks	.76	21	1.50	2	.83	23
6 Other service	.78	9	.93	15	.88	24
7 Other regular reporting acts. requiring liaison	.67	15	.60	10	.64	25
8 Other book-keeping acts.	1.00	18	.57	7	.88	25
9 Miscellaneous	.87	23	0	1	.83	24
All	.85	228	.90	96		

If change indicated

- 6a. Have you ever spoken to or to others, or in some other way let him know you would like him to do it differently?

Yes

No

(If yes)

- b. How did you handle it?

When questions appertaining to each activity on the list are completed.

- 7a. Is there anything else you would like him to do, or is there anything else you would like him to do differently?

(If yes)

- b. What is that?

- 8a. Nearly everyone has some things he'd want people he works with to do differently. Would you like to do this activity exactly the way he is now, or do you feel that he should do it in any way differently than he does now?

- 0 Same
 1 Slightly different
 2 Somewhat different
 3 Very different
 Don't know

If change indicated

b. How would you like him to do it differently?

9a. Have you ever spoken to, or to others or in some other way let him know you would like him to do this differently?

Yes

No

(If yes)

b. How did you handle it?

SECTION D - INFLUENCE OF ROLE SENDER OVER FOCAL ROLE

1. Generally, how do you try to influence.....?
2. Suppose you were to make a request or recommendation to concerning his job, then to what extent would he pay serious attention to you?

	¹ Very much	² Pretty much	³ Not very much	⁴ Not at all	Total
Main study	28	17	1	0	46
Post-change study	14	2	0	0	16

3a. As a last resort, to what extent can you make him do it?

	¹ Very much	² Pretty much	³ Not very much	⁴ Not at all	Total
Main study	Responses ceased to be scaled due to				
Post-change study	ambiguities in the question				

If responses 1 and 2

b. How could you then get him to do it?

4a. How do you regard your influence over what does? Would you say it is too little, too much, or about right?

	¹ About right	² Too little	³ Too much	Total
Main study	32	12	0	44
Post-change study	11	5	0	16

If responses 2 or 3

b. Why?

SECTION E - INTERPERSONAL RELATIONS

Now I would like to ask you some questions concerning your relationship with

1. If you were having difficulty in your job, would he help you?

	¹ Not at all	² Very little	³ A little	⁴ Some-what	⁵ Quite a lot	⁶ Very much	⁷ Always	Total
Main study	0	0	1	1	10	5	29	46
Post-change study	0	0	0	0	5	1	10	16

2. Do you feel that is frank and open with you?

	¹ Not at all	² Very little	³ A little	⁴ Some-what	⁵ Quite a lot	⁶ Very much	⁷ Always	Total
Main study	0	0	1	9	7	4	25	46
Post-change study	0	0	0	0	6	7	3	16

3. Do you like working with him?

	¹ Not at all	² Very little	³ A little	⁴ Some-what	⁵ Quite a lot	⁶ Very much	⁷ Always	Total
Main study	0	0	0	4	16	10	16	46
Post-change study	0	0	0	0	2	10	4	16

4. Do you feel he is trying to increase the scope of his job at the expense of yours?

	1 Not at all	2 Very little	3 A little	4 Some-what	5 Quite a lot	6 Very much	7 Always	Total
Main study	0	0	0	7	2	3	34	46
Post-change study	0	0	1	0	1	1	13	16

5. Does he appreciate the difficulties entailed in your job?

	1 Not at all	2 Very little	3 A little	4 Some-what	5 Quite a lot	6 Very much	7 Always	Total
Main study	0	6	2	11	16	4	7	46
Post-change study	0	0	1	4	5	5	1	16

6. Is getting the agreements on the facts of a situation a difficulty?

	1 Not at all	2 Very little	3 A little	4 Some-what	5 Quite a lot	6 Very much	7 Always	Total
Main study	0	0	1	5	10	10	20	46
Post-change study	0	0	0	1	3	7	5	16

7. Do you have difficulty in agreeing when making decisions together?

	7 Not at all	6 Very little	5 A little	4 Some- what	3 Quite a lot	2 Very much	1 Always	Total
Main study	22	10	12	2	0	0	0	46
Post- change study	3	9	2	1	1	0	0	16

8. Do you think he restricts or manipulates information
to suit his own ends?

	7 Not at all	6 Very little	5 A little	4 Some- what	3 Quite a lot	2 Very much	1 Always	Total
Main study	26	4	7	7	2	0	0	46
Post- change study	10	3	2	1	0	0	0	16

SECTION F - ROLE CONFLICT - STYLISTIC (ATTRIBUTES)

1. Many positions in industry require that a person has not only certain technical skills and experience, but also certain personality characteristics or particular talents. Thinking of 's job what sort of personal characteristics do you feel a person ought to have to be good at that job?

2. What sort of characteristics might lead a person to do poorly?

(For each characteristic mentioned in 1 and 2).

3. To what extent do you feel has this characteristic?

- 1 Considerably
- 2 Somewhat
- 3 Very little
- 4 Not at all

4. Do you think he has any other traits that make him suited to the job?
5. Has he any other traits that lead to him not being suited to the job?

SECTION G - INFLUENCE OF FOCAL ROLE OVER ROLE SENDER

Now I would like you to talk about how can influence you.

1. If wants you to do something, how does he normally try to influence you?
2. Suppose he were to make a request or recommendation to yourself. To what extent would you pay serious attention to it?

	¹ Very much	² Pretty much	³ Not very much	⁴ Not at all	Total
Main study	34	12	0	0	46
Post-change study	14	2	0	0	16

3a. Suppose he wanted you to do something and you refused, to what extent could he make you do it?

- 1 Very much
- 2 Pretty much
- 3 Not very much
- 4 Not at all

(If 1 or 2 above)

b. How could he then get you to do it?

4a. How do you regard the amount of influence has over you? Is it

- Too much
- Too little
- About right.

	¹ About right	² Too little	³ Too much	Total
Main study	35	10	0	45
Post-change study	11	5	0	16

If change indicated

- b. Could you explain why you feel this, and in what particular instances do you feel this to be true?

SECTION J - REPORT STUDY AND EVALUATION

I would like to turn now to the information you get from and the accounting function.

1. Do you receive information and/or reports on accounting and costing matters?

Yes

No

(If yes)

2. To what extent do you read and study these reports?

	¹ Considerably	² Quite a lot	³ Somewhat	⁴ Very slightly	⁵ Not at all	Total
Main study	31	5	7	3	0	46
Post-change study	14	2	0	0	0	16

3. How useful do you regard these reports in helping you carry out your job?

	¹ Extremely useful	² Quite useful	³ Some-what	⁴ Only slightly	⁵ No use	Total
Main study	28	5	11	2	0	46
Post-change study	13	2	1	0	0	16

Is the information:

4. Too slow in coming?

	¹ Not at all	² A little so	³ Some-what so	⁴ Quite so	⁵ Very much so	Total
Main study	15	10	10	6	5	46
Post-change study	2	5	5	1	3	16

5. Accurate?

	¹ Not at all	² A little so	³ Some-what so	⁴ Quite so	⁵ Very much so	Total
Main study	1	2	8	18	14	43
Post-change study	1	2	3	8	1	15

6. Relevant to your task?

	¹ Not at all	² A little so	³ Somewhat so	⁴ Quite so	⁵ Very much so	Total
Main study	0	0	6	5	35	46
Post-change study	0	0	0	2	14	16

7. Difficult to understand?

	¹ Not at all	² A little so	³ Somewhat so	⁴ Quite so	⁵ Very much so	Total
Main study	26	12	5	3	0	46
Post-change study	9	4	2	1	0	16

8. Have you any other criticisms of the information and reports you receive from?

ROLE CONFLICT INDICES

1. Role Conflict - Activities.

Calculated from Question 5, Section C.

$$\text{Role Conflict Activities} = \frac{\sum \text{score for each activity}}{\sum \text{maximum score possible on each activity.}}$$

Activities perceived as not at all, or not very important to the role sender in Question 3, Section C were excluded from the calculation.

	0-.09	.10-.19	.20-.29	.30-.39	.40-.49	.50-.59	.60-.69	.70-.79	.80-.89	.90-1.0	Total
Main study	10	13	3	3	5	6	4	1	.1	0	46
Post-change study	3	1	5	3	1	2	1	0	0	0	16

2. Role Conflict - Time.

Calculated from Question 4, Section C. All negative scores were converted into positive scores.

$$\text{Role Conflict Time} = \frac{\sum \text{score for each activity}}{\sum \text{maximum score possible on each activity.}}$$

	0-.09	.10-.19	.20-.29	.30-.39	.40-.49	.50-.59	.60-.69	.70-.79	.80-.89	.90-1.0	Total
Main study	12	9	9	7	3	3	3	0	0	0	46
Post-change study	2	3	6	0	1	3	1	0	0	0	16

3. Role Conflict - Stylistic.

Calculated from question 3, Section F.

$$\text{Role Conflict Stylistic} = \frac{\sum \text{scores from ideal}}{\sum \text{maximum possible score for deviation from ideal.}}$$

	0-.09	.10-.19	.20-.29	.30-.39	.40-.49	.50-.59	.60-.69	.70-.79	.80-.89	.90-1.0	Total
Main study	18	7	12	6	1	1	0	0	0	1	46
Post-change study	8	3	2	3	0	0	0	0	0	0	16

4. Role Divergence - Activities.

For each activity, the response given by the role sender to question 5, Section C, was deducted from the response given by the focal role to questions 4a, Section J.

In computing the index negative scores were converted into positive scores.

$$\text{Role Divergence Activities} = \frac{\sum \text{score on each activity}}{\sum \text{maximum possible divergence on each activity}}$$

	0-.09	.10-.19	.20-.29	.30-.39	.40-.49	.50-.59	.60-.69	.70-.79	.80-.89	.90-1.0	Total
Main study	3	5	11	13	7	5	2	0	0	0	46
Post-change study	0	4	4	4	1	2	0	1	0	0	16

APPENDIX C

DETAILS OF THE OCCUPATIONS OF ROLE SENDERS FOR EACH FOCAL ROLE

Focal Role Number	Occupations of Role Senders							Totals
	Production/Factory Managers	Factory Engineers	Industrial Engineers	General Managers	Marketing Managers	Accountants	Others	
1	1				1	1	1 (Transport Manager)	4
2	1		1	1	1			4
3	2		1	1				4
4	1		1		1		1 (Commercial Manager)	4
5	3						1 (Development Manager)	4
6			1	1				2
7	2		1	1				4
8	1	1	1	1				4
9		1	1	1			1 (Stores Manager)	4
10	2	1	1	1				4
11	1	1	1	1				4
12	1	1	1			1		4
Post-change Study								
6	2		1	1				4
7	2		1	1				4
8	1	1	1	1				4
9		1	1	1			1 (Stores Manager)	4
Totals	20	7	13	12	3	2	5	62

REFERENCES

CHAPTER ONE

1. This section is drawn from:
Pollard, S. 1968. The Genesis of Modern Management. Penguin.
2. This section is drawn mainly from:
Stacey, N.A. 1954. English Accountancy 1800-1954. Gee & Co.
3. Solomons, D. with Berridge, T.M. 1974. Prospects for a Profession. Advisory Board of Accountancy Education.
4. This section is drawn mainly from:
Stacey, N.A.
5. Tricker, R.I. 1967. The Accountant in Management. Batsford.
6. Solomons, D. 1968. The Historical Development of Costing, in Solomons, D.(ed.) 1968. Studies in Cost Analysis. Sweet & Maxwell.
7. Stacey, N.A.
8. Parker, R.H. 1969. Management Accounting, an Historical Perspective. MacMillan.
9. Hofstede, G.H. 1968. The Game of Budget Control. Tavistock.

CHAPTER TWO

Good reviews and examples of typical work in this area can be found in references 1 to 6.

1. Hopwood, A. 1974. Accounting and Human Behaviour. Accountancy Age Books.
2. Caplan, E.H. 1971. Management Accounting and Behavioural Science. Addison-Wesley.

3. Hofstede, G.H. 1968. The Game of Budget Control. Tavistock.
4. 1973 Management International Review 13 : 3-98.
5. Schiff, M. and Lewin, A.Y.(eds.) 1969. Behavioural Aspects of Accounting. Prentice Hall.
6. Bruns, W.J. and DeCoster, D.T. 1969. Accounting and its Behavioural Implications. McGraw-Hill.
7. Birnberg, J.G. and Gandhi, N.M. 1976. Toward Defining the Accountant's Role in the Evaluation of Social Programs. Accounting, Organisations and Society 1 : 5-10.
8. Epstein, M. and McDonough, J.J. 1976. Corporate Social Accounting in the U.S.A. Accounting, Organisations and Society 1 : 23-42.
9. Katz, D. and Kahn, R.L. 1966. The Social Psychology of Organisations. Wiley.
10. MacRae, T.W. 1971. The Behavioural Critique of Accounting. Journal of Accountancy and Business Research 1 : 83-92
11. Eilon, S. 1970. Management Control. MacMillan.
12. Dearden, J. 1960. Problems of Decentralised Profit Responsibility. Harvard Business Review 38 : 79-86.
13. Lowe, E.A. 1967. Budgetary Control - an Evaluation in a Wider Perspective. Accountancy 77 : 764-769.
14. Simon, H.A. 1959. Theories of Decision-Making in Economics and Behavioural Science. American Economic Review 49 : 253-283.
15. Likert, R. 1967. The Human Organisation. McGraw-Hill.
16. Lomax, K.S. 1965. The Assessment of Economic Performance. Leeds University Press.
17. Davidson, H.J. and Trueblood, R.M. 1961. Accounting for Decision-Making. Accounting Review : 577-582
18. Rosen, L.S. and Schneck, R.E. 1967. Some Behavioural Consequences of Accounting Measurement Systems. Cost and Management 41 : 6-16.

19. Dalton, M. 1959. Men Who Manage. Wiley
20. Dew, R.B. and Gee, K.P. 1973. Management Control and Information. MacMillan.
21. Argyris, C. 1953. Human Problems with Budgets. Harvard Business Review 31: 97-110.
22. Alexis, M. and Wilson, C.Z. 1967. Organisational Decision Making. Prentice-Hall.
23. Lawrence, P.R. and Lorsch, J.W. 1967. Organisation and Environment. Graduate School of Business Administration, Harvard University.
24. Kast, F.E. and Rosenzweig, J.E. 1974. Organisation and Management - a Systems Approach. McGraw-Hill.
25. March, J.G. and Simon, H.A. 1958. Organisations. Wiley.
26. Argyris, C. 1964. Integrating the Individual and the Organisation. Wiley.
27. McGregor, D. 1960. The Human Side of Enterprise. McGraw-Hill.
28. Likert, R. 1961. New Patterns of Management. McGraw-Hill.
29. Likert, R. 1967. The Human Organisation. McGraw-Hill.
30. Becker, S. and Green, D. Jnr. 1962. Budgeting and Employee Behaviour. Journal of Business 35: 392-402.
31. Sord, B.H. and Welsch, G.A. 1962. Business Budgeting, A Survey of Management Planning and Control Practices. Controllership Foundation.
32. Rosen, L.S. and Schneck, R.E. 1967. Some Behavioural Consequences of Accounting Measurement Systems Cost and Management 41: 6-16.
33. Rahim, A.M.A. 1966. Industrial Managers' Acceptance and Use of Budgeting Control Techniques - an Empirical Approach. Unpublished Ph.D. thesis, University of Manchester.

34. Stedry, A.C. 1960. Budget Control and Cost Behaviour. Prentice-Hall.
35. Stedry, A.C. and Kay, E. 1964. The Effects of Goal Difficulty on Performance, a Field Experiment. Sloan School of Management, M.I.T., Cambridge (Mass.)
36. Benston, G.J. 1963. The Role of the Firm's Accounting System for Motivation. Accounting Review 38: 347-354.
37. De Coster, D.T. and Fertakis, J.P. 1968. Budget Induced Pressure and its Relationship to Supervisory Behaviour. Journal of Accountancy Research 6: 239-246.
38. Ridgeway, D.F. 1956. Dysfunctional Consequences of Performance Measurements. Administrative Science Quarterly 1: 240-247.
39. Blau, P. and Scott, W.R. 1963. Formal Organisations. Routledge and Kegan Paul.
40. Hopwood, A.G. 1973. An Accounting System and Managerial Behaviour. Saxon House.
41. Ammicucci, D.J. 1965. Budget Variance Trend Reports. N.A.A. Bulletin - Management Accounting, 1st section 11: 9-14.
42. Miles, R.E. and Vergin, R.C. 1966. Behavioural Properties of Variance Controls. California Management Review 8: 57-65.
43. Bruns, W.J. Jnr. 1965. Inventory Valuation and Management Decisions. Accounting Review 40: 345-357.
44. Khemakhem, A. 1968. A Simulation of Management-Decision Behaviour: Funds and Income. Accounting Review 43: 522-534.
45. Jensen, R.E. 1970. Empirical Evidence from the Behavioural Sciences. Accounting Review 45: 502-508
46. Filley, A.C., House, R.J., Kerr, S. 1976. Managerial Process and Organisational Behaviour. Scott, Foresman and Co.
47. Fiedler, F.E. 1967. A Theory of Leadership Effectiveness. McGraw-Hill.

48. Woodward, J. 1965. Industrial Organisation; Theory and Practice. Oxford University Press.
49. Burns, T. and Stalker, M. 1961. The Management of Innovation. Tavistock.
50. Gordon, L.A. and Miller, D. 1976. A Contingency Framework for the Design of Accounting Information Systems. Accounting, Organisations and Society: 59-70.
51. Macharzina, K. 1973. On the Integration of Behavioural Science into Accounting Theory. Management International Review 13: 1-51.
52. Kerr, S. 1975. On the Folly of Rewarding A, While Hoping for B, Academy of Management Journal 18: 769-783.
53. Ray, G.H., and Piper, J.A. 1974. A Closer Examination of Some Aspects of Behavioural Accounting Research. Management Decision 12: 179-188.

CHAPTER THREE

1. Woodward, J. 1965. Industrial Organisation: Theory and Practice. Oxford University Press.
2. Dalton, M. 1959. Men Who Manage. Wiley.
3. Argyris, C. 1953. Human Problems with Budgets. Harvard Business Review 31: 97-110.
4. McGregor, D. 1960. The Human Side of Enterprise. McGraw-Hill.
5. McCauley, S. 1963. Non-Contractual Relations in Business: A Preliminary Study. American Sociological Review 28: 55-67.
6. Perrow, C. 1970. Departmental Power and Perspectives in Industrial Firms. In Zald, M.N.(ed.) Power in Organisations: 59-89.
7. Hinings, C. 1971. A Strategic Contingencies' Theory of Intraorganisational Power. Administrative Science Quarterly 16: 216-229.

8. Hofstede, G.H. 1968. The Game of Budget Control. Tavistock.
9. Graves, D. 1972. The Impact of Culture upon Managerial Attitudes, Beliefs and Behaviour in England and France. Journal of Management Studies 9: 40-56.
10. Stymne, B. 1968. Interdepartmental Communication and Intraorganisational Strain. Acta Sociologica 11: 82-100.
11. Thompson, V.A. 1961. Hierarchy, Specialisation and Organisational Conflict. Administrative Science Quarterly 5: 485-521.
12. Child, J. and Ellis, T. 1973. Predictors of Variation in Managerial Roles. Human Relations 26: 227-250.
13. Tricker, R.I. 1967. The Accountant in Management. Batsford.
14. Clements, R.V. 1958. Managers: A Study of their Careers in Industry. Allen and Unwin.
15. Kahn, R.L., Wolfe, D.M., Quinn, R.P., Snoek, J.D. 1964. Organisational Stress. Wiley.
16. Schnick, A. 1971. Budget Innovation in the States. Brookings Institute.
17. Katz, D. 1964. Approaches to Managing Conflict. In Kahn, R.L. and Boulding, E.(eds.), Power and Conflict in Organisations. Basic Books.
18. Landsberger, H.A. 1961. The Horizontal Dimension in Bureaucracy. Administrative Science Quarterly 6: 299-332.
19. Lawrence, P.R. and Lorsch, J.W. 1967. Organisation and Environment. Graduate School of Business Administration, Harvard University.
20. Sorenson, J.E. 1967. Professional and Bureaucratic Organisation in the Public Accounting Firm, Accounting Review 42: 553-565 and Sorenson, J.E. 1969. Managing Careers in Controllership. Financial Executive: 88-97.

21. Hastings, A. and Hinings, C.R. 1970. Role Relations and Value Adaptation. A Study of the Professional Accountant in Industry. Sociology 4 : 353-366.
22. Burns, T. 1961. Micro Politics : Mechanisms of Institutional Change. Administrative Science Quarterly 6 : 257-281.
23. Zald, M.N. 1970. Political Economy - A Framework for Comparative Analysis. In Zald, M.N. (ed.) Power in Organisations. Vanderbilt University Press.

CHAPTER FOUR

1. Argyris, C. 1953. The Impact of Budgets on People. The Controllershship Foundation.
2. Simon, H.A., Guetzkow, H., Kozmetsky, G. and Tyndall, G. 1945. Centralization vs. Decentralization in Organizing the Controller's Department. The Controllershship Foundation.
3. Filley, A.C., House, R.J. and Kerr, S. 1976. Managerial Process and Organisational Behaviour. Scott Foresman and Co.
4. Woodward, J. 1965. Industrial Organisation; Theory and Practice. Oxford University Press.
5. Dew, R.B. and Gee, K.P. 1973. Management Control and Information. MacMillan.
6. Brown, W. 1965. Exploration in Management. Penguin.
7. Lowe, E.A. and Show, R.W. 1968. An Analysis of Managerial Biasing: Evidence from a Company's Budgeting Process. Journal of Management Studies : 5 304-315.

8. Schiff, M. and Lewin, A.Y. 1970. Impact of People on Budgets. Accounting Review 45 : 259-268
9. Grimstad
10. Hage, J. 1965. An Axiomatic Theory of Organisations. Administrative Science Quarterly 10 : 289-320.
11. Thompson, V.A. 1965. Bureaucracy and Innovation. Administrative Science Quarterly 10 : 1-20.
12. Thompson, J.D. and Bates, F.L. 1957. Technology, Organisation and Administration. Administrative Science Quarterly 2 : 325-343.
13. Gordon, L.A. and Miller, D. 1976. A Contingency Framework for the Design of Accounting Information Systems. Accounting, Organisations and Society 1 : 59-70.

CHAPTER FIVE

1. Woodward, J., Reeves, T. and Kenaston, T. 1970. The Study of Managerial Control. In Woodward, J. (ed.) Industrial Organisations, Behaviour and Control. Oxford University Press.
2. Thompson, J.D. 1967. Organisations in Action. McGraw-Hill.
3. Perrow, C. 1965. Hospitals Technology, Structure and Goals. In March, J.G. (ed.) Handbook of Organisations. Rand McNally.
4. Ouchi, W.G. 1977. The Relationship Between Organisational Structure and Organisational Control. Administrative Science Quarterly 22 : 95-111

5. Ouchi, W.G. and Maguire, W.A. 1975. Organisational Control : Two Functions. Administrative Science Quarterly 20 : 559-569.
6. Zwereman, W. 1970. New Perspectives on Organisation Theory. Westport.
7. Burns, T. and Stalker, G.M. 1961. The Management of Innovation. Tavistock.
8. Hage, J. and Aiken, M. 1969. Routine Technology, Social Structure and Organisation Goals. Administrative Science Quarterly 14 : 366-376.
9. Kahn, R.L., Wolfe, D.M., Quinn, R.P. and Snoek, J.D. 1964. Organisational Stress. Wiley.
10. Levinson, D.J. 1959. Role, Personality, and Social Structure. Journal of Abnormal and Social Psychology 58 : 170-180.

CHAPTER SIX

1. Goode, W.J. 1960. A Theory of Role Strain. American Sociological Review 25 : 483-496.
2. Biddle, B.J. and Thomas, E.J. 1966. The Nature and History of Role Theory. In Biddle, B.J. and Thomas, E.J. (eds.) Role Theory; Concepts and Research : 3-20. Wiley.
3. Popitz, H. 1972. The Concept of Social Role as an Element of Sociological Theory. In Jackson, J.A. Role. Cambridge University Press.
4. Coulson, M. 1972. A Redundant Concept in Sociology - Some Educational Considerations. In Jackson, J.A. Role. Cambridge University Press.

5. Jackson, J.A. (ed.) 1972. Editorial Introduction. In Jackson, J.A. Role. Cambridge University Press.
6. Goffman, E. 1966. Encounters. Bobs Merrill.
7. Gross, N., Mason, W.S. and McEachern, A. 1956. Explorations in Role Analysis. Wiley.
8. Levinson, D.J. 1959. Role, Personality and Social Structure. Journal of Abnormal and Social Psychology 25 : 170-180.
9. Pugh, D. 1966. Role Activation Conflict : A Study of Industrial Inspection. American Sociological Review 31 : 835-842.
10. Kahn, R.L., Wolfe, D.M., Quinn, R.P. and Snoek, J.D. 1964. Organisational Stress. Wiley.
11. Merton, R.K. 1957. The Role-Set : Problems in Sociological Theory. British Journal of Sociology 8 : 106-120.
12. Faunce, W.A. 1968. Problems of an Industrial Society. McGraw-Hill.
13. Reissman, L. 1949. A Study of Role Conceptions in Bureaucracy. Social Forces 27 : 305-310.
14. Coser, L. 1956. The Functions of Social Conflict. Free Press.
15. Pondy, L.R. 1967. Organisational Conflict : Concepts and Models. Administrative Science Quarterly 12 : 296-320.
16. Shepard, H.A. 1967. Innovation Resisting and Innovation Producing Organisations. Journal of Business 40 : 470-496.

17. Lawrence, P.R. and Lorsch, J.W. 1967. Organisation and Environment. Graduate School of Business Administration, Harvard University.
18. March, J.G. and Simon, H.A. 1958. Organisations. Wiley.
19. Walton, R.E. and Dutton, J.M. 1969. The Management of Interdepartmental Conflict : A Model and Review. Administrative Science Quarterly 14 : 73-84.
20. Dahl, R.A. 1957. The Concepts of Power. Behavioural Science 2 : 201-215.
21. Kahn, R.L. 1964. Introduction. In Kahn, R.L. and Boulding, E. Power and Conflict in Organisations. Basic Books.

CHAPTER EIGHT

1. Browne, P.J. and Golembiewski, R.T. 1974. The Line-Staff Concept Revisited: An Empirical Study of Organisational Images. Academy of Management Journal 17 : 406-417.
2. Dalton, M. 1959. Men Who Manage. Wiley.
3. Walton, R.E., Dutton, J.M. and Cafferty, T.P. 1969. Organisational Context and Interdepartmental Conflict. Administrative Science Quarterly 14 : 522-543.
4. Corwin, R.G. 1969. Patterns of Organisational Conflict. Administrative Science Quarterly 14 : 507-521.

CHAPTER NINE

1. Beynon, H. 1973. Working for Ford. Penguin.

2. Chinoy, E. 1964. Manning the Machines - The Assembly-Line Worker. In Berger, P.L. The Human Shape of Work. MacMillan. 51-82.
3. Blauner, R. 1964. Alienation and Freedom. University of Chicago Press.

CHAPTER TEN

1. Hie, N.H., Hull, C.H., Jenkins, J.G., Steinbrenner, K. and Bent, D.H. 1975. Statistical Package for the Social Sciences. McGraw-Hill.
2. Robson, C. 1973. Experiment, Design and Statistics in Psychology. Penguin.
3. Mayntz, R., Holm, K. and Hoebner, P. 1976. Introduction to Empirical Sociology. Penguin.
4. Siegel, S. 1956. Non-parametric Statistics for the Behavioural Sciences. McGraw-Hill.
5. Handy, C.B. 1976. Understanding Organisations. Penguin.
6. Lawrence, P.R. and Lorsch, J.W. 1967. Organisation and Environment. Harvard University Press.
7. Pondy, L.R. 1967. Organisational Conflict : Concepts and Models. Administrative Science Quarterly 12 : 296-320.
8. Dutton, J.M. and Walton, R.E. 1966. Interdepartmental Conflict and Co-operation. Two Contrasting Studies Human Organisation 25 : 207-220
9. Likert, R. 1961. New Patterns of Management. McGraw-Hill.

10. Sofer, C. 1972. Organisations in Theory and Practice. Heinemann.
11. Krech, D., Crutchfield, R.S. and Ballachey, E.L. 1962. Individual in Society. McGraw-Hill.
12. Browne, P.J. and Golembiewski, R.T. 1974. Line-Staff Concept Revisited : An Empirical Study of Organisational Images. Academy of Management Journal 17 : 406-417.

CHAPTER ELEVEN

1. Company internal memorandum.
2. Rahim, A.M.A. 1966. The Industrial Managers' Acceptance and Use of Budgetary Control Techniques - An Empirical Approach. Unpublished Ph.D. thesis. University of Manchester.
3. Hofstede, G.H. 1968. The Game of Budget Control. Tavistock.

CHAPTER TWELVE

1. Lowe, E.A. and Shaw, R.W. 1968. An Analysis of Managerial Biasing : Evidence from a Company's Budgeting Process. Journal of Management Studies 5 : 304-315.
2. Schiff, M. and Lewin, A.Y. 1970. Impact of People on Budgets. Accounting Review 45 : 259-268.

CHAPTER THIRTEEN

1. Mann, F. and Baumgartel, H. 1953. The Supervisor's

- Concern with Costs in an Electric Power Company. Survey Research Centre. Institute for Social Research, University of Michigan.
2. Goodlad , J.B. 1972. Budgeting Aid to Improved Human Relations. Management Accounting 50 : 176-178.
 3. Likert, R. and Seashore, S.E. 1963. Making Cost Control Work. Harvard Business Review 41 : 96-108.
 4. Kahn, R.L., Wolfe, D.M., Quinn, R.P. and Snoek, J.D. 1964. Organisational Stress. Wiley.
 5. Sanford, R.N. 1964. Individual Conflict and Organisational Interaction. In Boulding, E. and Kahn, R.L. (eds.) Power and Conflict in Organisations. Basic Books.
 6. Nunnally, J.C. 1967. Psychometric Theory. McGraw-Hill.
 7. Rahim, A.M.A. 1966. The Industrial Managers' Acceptance and Use of Budgetary Control Techniques - An Empirical Approach. Unpublished Ph.D. Thesis. University of Manchester.
 8. Hofstede, G.H. 1968. The Game of Budget Control. Tavistock.

CHAPTER FOURTEEN

1. Dalton, M. 1959. Men Who Manage. Wiley
2. MacRae, T.W. 1971. The Behavioural Critique of Accounting. Journal of Accountancy and Business Research. 1 : 83-92.

3. Tannenbaum, A.S. 1968. Control in Organisations. McGraw-Hill.
4. Tricker, R.I. 1967. The Accountant in Management. Batsford.
5. Clements, R.V. 1958. Managers: A Study of their Careers in Industry. Allen & Unwin.
6. White, R. and Lippitt, R. 1968. Leadership Behaviour and Member Reaction in Three Social Climates, in Cartwright, D. and Zander, A. (Eds.). Group Dynamics: Research and Theory. Harper and Row.
7. Brown, W. 1965. Exploration in Management. Penguin.
8. Woodward, J. 1965. Industrial Organisation, Theory and Practice. Oxford University Press.
9. Argyris, C. 1953. The Impact of Budgets on People. The Controllershship Foundation.
10. Simon, H.A., Guetzkow, H., Kozmetsky, G. and Tyndall, G. 1945. Centralization v. Decentralization in Organising the Controller's Department. The Controllershship Foundation.
11. Child, J. 1973. Strategies of Control and Organisational Behaviour. Administrative Science Quarterly 18 : 1-17.
12. McGregor, D. 1960. The Human Side of Enterprise. McGraw-Hill.
13. Hopwood, A. 1974. Accounting and Human Behaviour. Haymarket.
14. Becker, S.W. and Green, D. 1962. Budgeting and Employee Behaviour. Journal of Business 35.

15. Stedry, A.C. 1960. Budget Control and Cost Behaviour. Prentice-Hall.
16. Stedry, A.C., and Kay, E. 1964. The Effects of Goal Difficulty on Performance, A Field Experiment. Sloan School of Management, M.I.T., Cambridge (Mass.).
17. Rahim, A.M.A. 1966. The Industrial Managers' Acceptance and Use of Budgetary Control Techniques - An Empirical Approach. Unpublished Ph.D. Thesis. University of Manchester.
18. Beresford Dew, R. and Gee, K.P. 1973. Management Control and Information, MacMillan.