THE ROLE OF THE ACCOUNTANT IN THE SUCCESS OF BUSINESSES IN ISRAEL IN THE ERA OF GLOBALIZATION

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Abstract: *Since, accounting is often referred to as the heart of an organization because the financial health of the organization can easily be discerned from the financial statements such as the balance sheet, profit & loss accounts and cash flow statement. Therefore, the role of the accountant in ensuring the quality of financial reporting is crucial for the success of any business. Not only, that the accountant is responsible for the financial information produced by the company, they are also in the frontline of safeguarding the integrity of financial reporting. Consequently, the accountant is an important asset to the company because they have the key skills required to speak the language of business.*

***Key Words**: accountant role, bookkeeping, Management accountant*

1. Introduction.

Nowadays the competition in the economics is extremely challenging and there are many businesses that have strived for success, but ended in failure. Moreover, modern organizations are increasingly becoming more complex, and in many cases global, thereby engendering the need for complete, transparent, reliable and accurate information that can be accessed quickly, relating to the various organizations in order to make ongoing decisions –which can range from deciding to invest more and hold more shares, sell off part or all of the holdings, take critical decision on the management and boards of the banks etc. Furthermore, information is needed to make decisions relating to lending, taxation, employee benefits and remuneration. It is important to note that the quality of decisions that investors can make is largely dependent on the quality of information available to them, and here comes the role of the accountant, to provide the quantitative information, primarily financial in nature, needed.

Since, accounting is often referred to as the heart of an organization because the financial health of the organization can easily be discerned from the financial statements such as the balance sheet, profit & loss accounts and cash flow statement. Therefore, the role of the accountant in ensuring the quality of financial reporting is crucial for the success of any business. Not only, that the accountant is responsible for the financial information produced by the company, they are also in the frontline of safeguarding the integrity of financial reporting. Consequently, the accountant is an important asset to the company because they have the key skills required to speak the language of business.

2. Literature review

Who is an Accountant?

According to Susan Davis (2015), *a*n accountant is a person who performs financial functions related to the collection, accuracy, recording, analysis and presentation of a business, organization or company's financial operations. The accountant usually has a variety of administrative roles within a company's operations. In a smaller business, an accountant's role may consist of primarily financial data collection, entry and report generation. Middle to larger sized companies may utilize an accountant as an adviser and financial interpreter, who may present the company's financial data to people within and outside of the business. Generally, the accountant can also deal with third parties, such as vendors, customers and financial institutions (Davis, 2015).

On the other side, Ray (2015) believes that the accountant at a company can serve many roles, from overseeing the preparation of all financial documents related to the company to implementing financial strategies created by management or making investment decisions for the firm. As a chief accountant, you may sit on the upper management team to play an integral part in developing long-term goals. In a larger business, you might also supervise a team of financial professionals (Ray, 2015).

In fact, the modern business environment has changed drastically in a short time. Business technology has advanced business functions and operations to levels not previously believed possible. The role of accounting and business is perhaps one of the most reliable functions in business.

While a few basic procedures or methods have changed, the purpose of accounting remains the same. Business owners often use accounting to measure the financial performance of their companies and make business decisions. (Vitez, s2015).

To sum up, an accountant is someone that meets the following criteria:

1. The standards of a professional body

2. Have skills, knowledge and expertise tested by examination and Mandatory, Continuous Professional Education conducted by the professional body.

3. Committed to the values of accuracy, honesty, integrity, objectivity, transparency and reliability and

4. Subject to oversight by a Professional body with disciplinary powers

The concept of bookkeeping

The American heritage dictionary defines bookkeeping as "the practice or profession of recording the accounts and transactions of a business." The transactions include sales, purchases, income and expenses by an individual or organizations. Bookkeeping differs from accountancy in that bookkeeping ends at the trial balance stage. Accountancy uses the trial balance information and ledgers to prepare the income statement and the statement of financial position. There are some common methods of bookkeeping such as the single entry bookkeeping system and the double entry bookkeeping system. Bookkeeping refers to the recording of financial transactions and events either manually or electronically. According to the chartered institute of accountants - UK, bookkeeping is the analysis, classification and recording of financial transactions in the books of accounts in a systematic manner. Bookkeeping is the analysis, classification and recording of business transactions in the books of accounts. Further, bookkeeping is the mechanical process that records the routine economic activities of a business (Mutua, 2015). According to Mutua (2015) Bookkeeping is a set of rules for recording financial information in a financial accounting system in which every transaction changes, when it comes to bookkeeping there are different situations in which it is used including personal and business banking. If a business owner is too busy to contemplate being able to keep track and make a record of every transaction, bookkeepers are employed to perform the duty. Currently the duty of bookkeeping in organizations is being done by qualified accountants it's a statutory requirement in all public organizations.

The Importance of Bookkeeping

Bookkeeping is the first essential step of accounting which as a system provide a source of information to owners and managers of the business operating in any industry for use in the measurement of financial performance. The importance of financial performance measurement to any business entity cannot be overemphasized.

In this sense, the accounting bases, concepts and principles adopted ought to capture the relevant accounting information to ensure reliability in its measurement. Mutua (2015) contend that reported profits reflect changes in wealth of business owners. This can explain why major economic decisions in business are centered on financial performance as measured by profitability.

Furthermore, according to the European Commission (EC), (2008) affirms that accounting information is important for a successful management of any business entity, whether large or small. However, actually, accurate recordkeeping is not as important to many business operators. With this perspective, it is no wonder so many of these businesses fail from the beginning (Kilonzo, & Ouma, 2015). If one does not keep accurate and complete records the success of business will be threatened in many ways. For example one may end up paying more tax than is due because of lack of evidence of tax deductible expenditure or land inaccurate sales. If one pays an accountant to prepare the business accounts they will charge based on how long it will take them. If one's records are more accurate this will reduce the time taken and therefore reduce the amount they charge. The aforementioned reasons are sufficient to ensure one keeps good books and records but the most important reason is to ensure one has control over the business and that one can assess its profitability and the cash flow situation therefore ensuring awareness of any potential problems as soon as possible and can make business decisions with all available information at hand (Clinton & White ,2012).

In order to achieve this crucial control of a business, one has to consider keeping accurate records. This leads one to find out which records must be kept for the purpose of the success of a business. Bookkeeping helps in acquisition of financing from financial institutions. The financial institutions usually require adequate financial statements to provide the loans for expansion purposes. Bookkeeping usually acts as the guide to the preparation of financial reports and banks assess these financial reports before granting loans. They also assists in making inventory decisions like product diversification decisions so as to improve sales and profitability. Businesses must always confirm from the books which goods and services easily sell for them to invest in them. This can be confirmed by checking which goods are easily emptied from the stores. Businesses can easily be monitored with the proper records and this will facilitate sound business decisions being made, for example; by keeping track of debtors and creditors (De Loo, Verstegen & Swagerman, 2011).

Fields of Accounting

Accounting can be broadly ramified along the following lines: Management accounting, financial accounting and Cost Accounting.

Management Accounting

Management accounting plays a major role in helping managers carry out their responsibilities. The reporting is flexible as the information is used by the internal management for decision making Okoye (2011). The reports are essentially tailored to the needs of individual managers. The management accountant thus supplies *relevant, accurate, timely information* in a format that will aid managers in making decisions.

In preparing, analyzing, and communicating such information, accountants work with individuals from all functional areas of an organization.

Collins (2015), mentioned three main characteristics of Management accounting:

(a) emphasizes the future,

(b) aims to influence the behavior of managers and employees in achieving the goals of an organization,

(c) is not particularly constrained by generally accepted accounting principles or International financial reporting standards

Management accounting has been defined in many different ways, whether by describing its roles or describing its objectives and processes. Generally, it could be remarkable that the traditional definition of management accounting describes management accounting based on the fact of providing information to the managers, so management accountants were considered as information providers only as we notice from the following definition: "*Managerial accounting is concerned with providing information to managers, that is people inside an organization who direct and control its operations*" (Garrison, Noreen & Brewer, 2006). Along the same lines, Institute of Management Accountants (IMA, 1981) defined management accounting by describing its traditional roles, they defined management accounting as: " *The process of identification, measurement, accumulation, analysis, preparation, interpretation, and communication of financial information used by management to plan, evaluate, and control an organization and to assure appropriate use of and accountability for its resources. Management accounting also comprises the preparation of financial reports for non-management groups such*

as shareholders, creditors, regulatory agencies, and tax authorities" (Ahid & Augustine, 2012, p.22). Moreover, some of the contemporary authors are still going on the same boat of traditional definition. Hilton (2004) defined management accounting as it was defined by (IMA, 1981). He stated that managerial accounting is: "*The process of identifying, measuring analyzing interpreting and communicating information in pursuit of an organization's goals"* On the other hand, in the current studies and researches, managerial accountants are described as decision-makers and partnering of management members. IMA improved its definition of management accounting: "*Management accounting is a profession that involves partnering in management decision making, devising planning and performance management systems, and providing expertise in financial reporting and control to assist management in the formulation and implementation of an organization's strategy*." It is noticeable to what extent management accountants have become more effective and indispensable for decision making. Besides, management accounting has become an integral part of the management process and management accountants have become substantial strategic partners in an organization's management team (Hilton, 2004). Currently, there is a new managerial accounting term, which is modern management accounting, which means: A changing set of concerns among management accountants (Horngren, Charles, Datar & Foster, 2003). It is strikingly that the management accountants became more significance in the management team. Recently, more emphasis has been put on giving commercial advice to management, while it was in the past limited to provide information to the management.

Furthermore, The American Institute of Certified Public Accountants (AICPA) states that management accounting as practice extends to the following three areas: (1) Strategic Management: Advancing the role of the management accountant as a strategic partner in the organization. (2) Performance Management: Developing the practice of business decision-making and managing the performance of the organization. (3) Risk Management: Contributing to frameworks and practices for identifying, measuring, managing and reporting risks to the achievement of the objectives of the organization.

Financial Accounting

Financial Accountants prepare the financial statements which include the income statement, the balance sheet, and the statement of cash flows—that summarize a company's past performance and evaluate its financial health. In preparing financial statements, they adhere to a uniform set of rules -GAAP or IFRS. Knowing that financial statements have been prepared according to these standards assures users that reported information is accurate. They are also confident that they can compare statements from one company to those of another in the same industry (Obohn & Ajibolade, 2017).

Cost Accounting

Cost accounting -measures and reports financial and nonfinancial information relating to the costs of acquiring or utilizing resources in an organization. Cost accounting provides information for both management accounting and financial accounting industry (Obohn & Ajibolade, 2017).

Factors that determine accounting standards and procedures

The set of globally recognized accounting standards and procedures relating to the presentation of financial statements are called International Financial Reporting Standards (IFRS). When the International Accounting Standards Board (IASB) sets a brand new accounting standard, a number of countries tend to adopt the standard, or at least interpret it, and fit it into their individual country's accounting standards. These standards, as set by each particular country's accounting standards board, will in turn influence what becomes Generally Accepted Accounting Principles (GAAP) for each particular country. GAAP are imposed on companies so that investors have at least a minimum level of consistency in the financial statements they use when analyzing companies for investment purposes. Accordingly, the constant evolution of GAAP, therefore, fulfills its mission to disseminate quality financial information. This information obtained from the financial statements, earning in particular, facilities investors' valuations and the monitoring of management (Pacter, 2017).

The issue of application of accounting to small and medium enterprises has been the subject of numerous studies around the world (Byrne & Pierce, 2007). Fundamentally, general-purpose financial statements are prepared on the assumption that there are no basic differences in the needs of those who will use them. However, small companies' accounts are prepared primarily for the benefit of owner-managers, their bankers and the revenue authorities who have little in the kind of information aimed at users of public companies' statements. The board of directors or equivalent governing body controls the circulation of financial statements of non-publics entities (Burns & Hopper, 2004). Such financial statements are generally restricted to management and leading institutions.

Jankovic; (2007) enumerated several reasons why the application of IFRS is inadequate. These are:

1. Users of SSEs' (small-scale enterprises) financial statements need less information compared to the users of financial statements of listed companies;
2. Particular transactions in IFRS occur seldom, if ever, in SSEs;
3. The cost/benefit ratio of financial reporting is more favorable in large companies than in SSEs;
4. IFRS are prone to changes unlike national standards, which results in higher costs of IFRS implementation.

A survey sponsored by the American Institute of Certified Public Accountants (AICPA) revealed that respondents said that certain GAAP standards are not relevant and useful enough to help SSEs make management, credit and investment decisions (Tie; 2005). Alerding; (2003) believed that SSEs have been caught in the wake of increasingly complex accounting and disclosure requirements following the wave of laws and new accounting pronouncements. Consequently, the Financial Accounting Standards Board (FASB) continues to address the complexity of the GAAP hierarchy in the standards it has issued Fitzsimons & Thompson, (2005). Ever so often, debate arises as to whether separate accounting and reporting rules should be set for SSEs (Sayther; 2004). The debate has risen as to whether SSEs should adopt a different set of accounting rules due to reasons such as differing needs of financial uses, rapid and widespread developments in financial reporting, compliance costs, and statutory requirements.

Most companies have only a few income accounts. That is really the way you want it. Too many accounts are a burden for the accounting department and probably don't tell management what it wants to know. Nevertheless, if there's a source of income you want to track, create an account for it in the chart of accounts and use it.

Accounting in the era of globalization:

Studies have shown that globalization is playing a big role in the survival of firms. Developing advances connected to globalization stated that accounting is a critical player in providing updated information to the internal and also the external activities of firms. Over the past thirty five years the world has been transitioning into a global marketplace, thereby, today economy, financial markets, industry, and politics are all internationalized. This internationalization has led to increasing transfer of capital across borders, increasing importance of trade in the economy, increasing communication throughout the world and increasing in international trade policies. Globalization has had extreme effects on the world economic and has created many political challenges. Economic globalization indeed influences policy, which has been analyzed in numerous empirical studies. The process of globalization in general and the imposing of an international accounting system in one side are emphasizing some considerations related to the global cultural differences between countries on the other side. International accounting is complex because of its nature being linked to the globalization movement that is sweeping all economic. However, the globalization is affecting in accounting craft, standards, management, audit and tax. Besides, the role of accountant in particular, has become more important, not only in the corporate level, but also at the national level and even more importantly in the international level (Ahid & Augustine, 2012).

For example, Siegel and Sorensen (1999) mentioned that with the pressure of globalization that is an increase in competition, advancement of technology and pressure to get information much sooner. Management accounting now plays bigger roles in organizations. Management accountant is not only playing the role of information provider but also participating in decision making or at least to help managers to make better decisions (Cooper & Dart, 2009).

Management accountants' traditional role:

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

Accordingly, Simon et al. (1954, p. 22) argued that by understanding the information needs of their business counterparties management accountants could influence their role in the organization. Similarly, Hopper (1980) proposed two archetypes of management accountants: book-keepers and service-aid accountants. By merging the characteristics of Simon et al.'s (1954) bookkeeping and attention-directing roles, Hopper defined book-keeper as the administrator of financial systems and enabler of performance measurement and organizational control through distribution of management accounting information. In book-keeper capacity, interaction with operational management was not seen as a high priority (Hopper, 1980). In contrast, service-oriented management accountants had a strong provider-client relationship with their non-accounting counterparties, and focused on solving their management accounting information needs, comparable to Simon et al.'s (1954) problem-solving role (Hopper, 1980). Several researchers (Lambert & Sponem, 2012) have referenced the role descriptions of Simon et al. (1954) and Hopper (1980) in their studies focusing on role of management accountants: by way of empiricial evidence, they have sought to describe the contemporary management accountant by placing him/her along the book-keeper-service-aid role spectrum. Clearly defined responsiblities and importance placed on the production of monthly accounting reports have been associated with the bookkeeper or score-keeping stereotype (Byrne & Pierce, 2007), whereas management accountants that employ a more consultative approach towards their managerclients and empahsize assisting them with business decisions have been perceived to represent the service-aid or problem-solving role. Academic literature has concluded that the book-keeper model, which prioritizes the production of periodic financial measures, best illustrates the traditional role of management accountants in organizations. Although field studies and surveys have reported a wide variety of tasks being performed by accountants, routine reporting and performance measurement activities have insofar outweighted the time spent on problem-solving type of assistance. Professional and managerial publications have supported the academic opinion, stating that management accountants have been valued not for their ability to advice or interpret, but to create budgets and calculate costs (Siegel & Sorensen, 1999). Additionally, studies show that management accountants representing the book-keeper archetype have been described with a number of labels: “watchdog”“number cruncher” (Byrne & Pierce, 2007), “bean counter” (Burns & Baldvinsdottir, 2005) and even “corporate police” (Yazdifar & Tsamenyi, 2005). These negatively value-laden terms have originated from business and operational managers’ comments describing management accountants and their contribution to their organizations. Next subsection will thus explore more in detail the activities performed and characteristics linked to these so-called traditional management accountants.

Characteristics of the traditional role

Management accountants representing the traditional role are primarily characterized as being providers of information Specific activities pertaining to the information provision domain are statutory and month end reporting tasks, budgeting and transaction-related obligations (Siegel & Sorensen, 1999; Burns & Baldvinsdottir, 2005). Primary content of this information is described as historical and backward-looking (Siegel & Sorensen, 1999). The focus on the act of supply highlights another important facet associated with the bookkeeper stereotype: information is produced, but not understood in an operational context nor used in supporting decision making and problem solving processes by the management accountants (Burns & Baldvinsdottir, 2005). Consequently, this can lead to business and operational managers considering the management accounting information as of little relevance to them (Lambert & Sponem, 2012).

Irrelevance of accounting information has been linked to several root causes: management accountants' poor knowledge of the business , capabilities of the tools and practices in use in the organization and conflicting expectations set for provided data between accountants and their business counterparties (Ma & Tayles, 2009). Another important aspect of the bean counter role is the control perspective, closely intertwined with information provision. Responsibilities such as the objective evaluation of business initiatives and variance analysis based on monthly financial reports in effect place management accountants outside of the business functions and give rise to labels such as "watchdog" and "corporate police". While business managers appreciate the need for such monitoring activities (Byrne & Pierce, 2007), excessive amount of time spent on administrative and routine activities distance management accountants from operational topics, further strenghtening the book-keeper archetype (Byrne & Pierce, 2007) Institutionalized factors increase the information provision and control emphasis of management accounting: recent regulatory initiatives have increased the compliance aspects of the management accounting function as well as burden of administrative tasks.

The founding of professional management accounting institutes and overseeing the training and formalization of accounting practices has led to the specialization of management accounting practice. Instead of focusing on the needs of the user, book-keeper type accountants stress the technical validity and compliancy to rules and procedures when preparing reports. From a relationship point of view, the traditional role highlights the independent nature of management accountants. Book-keepers and bean counters often work in highly centralized accounting functions, where most of the communication takes place within the function and separation between accounting and operations is apparent. Lambert & Sponem (2012) reported that centralized organizational structure, where management accountants were working as an individual function, obstructed them from fulfilling managerial information needs effectively. Limited amount of interaction with other functions promotes the objectivity of management accountants, but hinders their capability to act in advisory and consultative roles (Lambert & Sponem, 2012). Business and operational managers also bare responsibility in the supposed separation between the traditional management accounting function and the rest of the organization. Bean counters' involvement in operational discussions has been perceived as non-valueadding, at worst detrimental to progress. Where book-keepers' value-add to decision making has been seen as debatable, some managers have even reported intentionally excluding management accountants in order to stop them from interfering in operational matters (Byrne & Pierce, 2007). Finally, certain personality traits are identified to support the book-keeper orientation: thoroughness, appreciation of structure, strength of character, and being methodical and conservative (Byrne & Pierce, 2007).

Similarly, possession of certain professional skills is readily associated to the bean counter stereotype. These include strong technical accounting knowhow (Byrne & Pierce, 2007) and analytical skills. In contrast, beancounter management accountants receive criticism for poor communication and interpersonal skills as well as for their ability to present and sell opinions to other managers.

The modern role of Management accountant:

Management accountant's modern role is customarily defined as being business oriented, an internal consultant of sorts. This view, founded upon the problemsolving paradigm by Simon et al. (1954), stresses the importance of the management accountant-business counterpart relationship and fulfilment of the information needs of other functions (Burns & Baldvinsdottir, 2005). As such, its emergence bases primarily on developments that have led management accountants to become more in tuned with operational topics and capable of providing customized and strategic support for organizations (Ma & Tayles, 2009). Collecting and communicating financial data has been seen as management accountants' source of comparative advantage in organizations. When arguments that management accounting systems were no longer providing business relevant information surfaced , interest among academics and professionals turned towards innovations in the domain of accounting tools and practices. While modern accounting techniques such as activity-based accounting have been connected with the production of more business oriented information (Byrne & Pierce, 2007), technical developments have supported management accountants' move to the modern role from an alternative perspective as well: automation of routine accounting tasks made possible by information systems system development has freed management accountants' time for "higher analytical level" of activities (Byrne & Pierce, 2007).

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

Related topic is the recent trend of accounting function's decentralization, which has brought management accountants closer to operations and increasingly into cross-functional teams. Burns and Baldvinsdottir (2005) discovered that the creation of product stream specific cross-functional teams improved cooperation and level of interaction between management accountants and their business counterparties. Especially physical proximity to business helps accountants better understand the information needs of other functions . Technological innovations and decentralization of accounting have made the accounting craft itself no longer the sole responsibility of management accountants. Instead, business managers increasingly take advantage of enterprise resource planning systems to perform management accounting tasks such as budgeting. Furthermore, Herbert and Seal (2012) observe in their case study that with the help of shared services tower project managers can manage most of management accounting tasks without the assistance of the accounting function. Outsourcing of services has also been linked to support management accounting change. As management accountants face the risk of increasing internal competition in terms of their services, evolution towards the modern, business oriented role can be seen as a potential answer to this problem of remaining relevant (Hopper, 2008). Professional bodies have made several commentaries in the recent years urging management accountants to take on more managerial responsibilities (Clinton & White, 2012). Further, professional as well as academic teaching has (and is called upon to) evolved towards a more business oriented approach, impacting the knowledge base of future accounting professionals. Accordingly, recruitment, training and career planning have also received support as tools that promote the role change of management accountants.

Models on management accounting:

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

Innes and Mitchell's Accounting Change

Model Innes and Mitchell (1990) noted that while academic research had confirmed a change of accounting practices taking place in organizations, past studies had insufficient explanatory power regarding the origins, mechanics and consequences of chance. Although contingency theory – interpreting change as a result of a set of contextual characteristics – was seen to provide some insight into questions such as why and how, it was nonetheless seen to have limits of its own: the model relied excessively on environment and technology as being the contingent factors that explain accounting change and assumptions behind the theory were too static, unfit to describe heterogeneous nature of accounting change. Understanding of the factors behind accounting change was perceived to be incomplete (Innes & Mitchell, 1990). By carrying out field studies in seven Scottish firms operating in the electronics industry, Innes and Mitchell (1990) produced a threefold model portraying the forces that lead to management accounting change in organizations. The three groups of factors differ both temporally and in nature, and are named: (1) Motivators (2) Catalysts (3) Facilitators

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

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

3- **Facilitators** are the enablers of change. While not sufficient by themselves, they are conditions that are needed to support the demand for change. For example, although increased competition and ensuing loss of market share can create a need for management accounting change, facilitators such as sufficient resourcing and management approval for action are required to initiate a change project. (Innes & Mitchell, 1990)

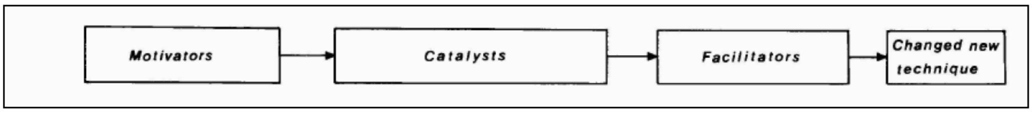

Figure 1: Innes and Mitchell's accounting change model (1990).

Cobb, Helliar and Innes' Extended Accounting Change Model

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

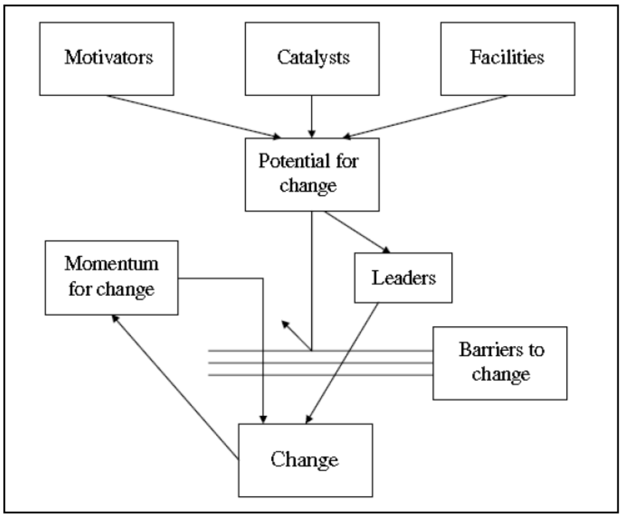

Figure 2: Cobb et al.'s extended accounting change model (sic) (1995).

Momentum for change is shorthand for the organizational expectation and belief in the continuation of change (Cobb et al., 1995). In other words, perceived credibility of change initiatives creates momentum that in turn drives the process forward. Correspondingly, leaders – individuals supporting and supportive of change processes – are identified as a change advancing force. Momentum combined with leader-level actions is factors required to negate barriers for change. Cobb et al.'s (1995) main contribution to modeling management accounting change has been the elision of both change advancing and hindering forces in the same framework. However, grouping barriers to change in the model under a single category has raised concerns of its deficient level of detail in terms of interpreting these sources of resistance. Further subcategorizing identified barriers is suggested to facilitate explaining the change context in greater depth (Kasurinen, 2002). Referring to the view that change is likely to become an increasingly unsystematic process due to influence by, among others, unforeseen developments and political agenda (Burns & Vaivio, 2001), Kasurinen (2002) argues that in such circumstances preordained, normative change programs and strategies lose effectiveness. Alternately, a more general assessment of the change context prior to change implementations will better assist organizations to succeed with such initiatives. Appropriately, Kasurinen's longitudinal case study (2002) attempted to revise the accounting change model by considering focusing on the above highlighted improvement areas.

Kasanen's Revised Accounting Change Model

Kasanen's (2002) offered three subcategories for barriers to change: (1) Confusers (2) Frustrators (3) Delayers

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

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

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

Kasurinen (2002) points out the value gained by applying the change model already at the planning phase – through sufficiently detailed assessment of change advancing and hindering factors, as well as their magnitude vis-à-vis, organization could take corrective actions earlier in the change process, improving the likelihood of success. Whereas barriers are given more visibility through sub categorization, Kasurinen's (2002) model streamlines the role of change advancing factors: motivators, facilitators, catalysts, momentum and leaders are all equal sources of potential for change. Accounting change is thus seen to realize through the interaction of potential of change and three subsets of barriers.

In effect, this positions the revised model to be applied more efficiently in situations where barriers rather than change promoting elements are seen to be the more influential factors. Kasurinen’s revised accounting change model is summarized in Figure 3 (Kasurinen, 2002)

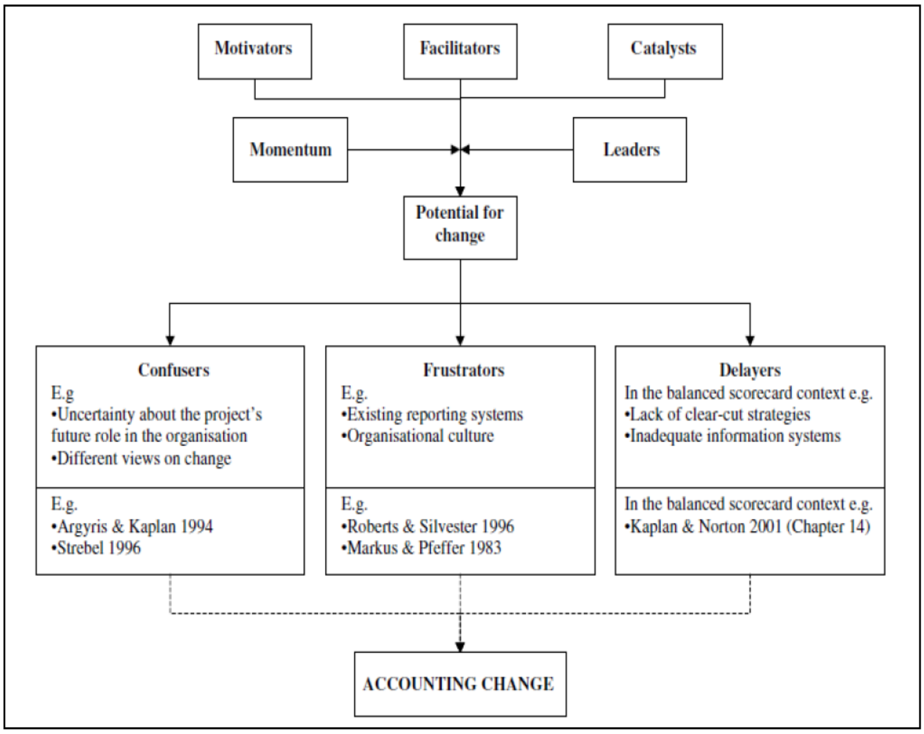

Figure 3: Kasurinen's revised accounting change model (2002).

This study adopts the view that change implementations are often riskier than assumed in Innes and Mitchell's (1990) and Cobb et al.'s (1995) accounting change models and thus barriers' role is of special interest for the empirical analysis of the case organization's change implementation efforts. Consequently, it is expected that Kasurinen's (2002) revised accounting change model will offer a suitable framework for analyzing the change influencing factors detected in the case setting. In addition, the model offers several opportunities for adding to the academic body of knowledge, briefly summarized below. Firstly, Kasurinen (2002) suggests that applying the model for additional types of change project studies could be beneficial for both testing development purposes of the model. While the framework has been utilized in few recent case studies, its use has focused predominantly on change projects relating to management accounting tools – especially the balanced scorecard – and practices, not role transformations per se.

3. Conclusion

On a general level the model's utilization thus far can be described as limited at best. Secondly, comparability of management accountant's role change related studies has hitherto been problematic: several field studies have been carried out, but in theoretic isolation: findings have rarely been connected to previous results and research settings, methods and objectives have varied substantially (Lambert & Sponem, 2012).

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