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From Bean-Counters to Change Agents: The Finnish Management Accounting Culture in Transition

This study combines the practice of management accounting and communication cultures. These elements have not been combined in earlier studies in Finland - actually almost nowhere. The underlying aim of this study is to examine how Finnishness emerges in management accounting practices in Finland. We pay particular attention to studying the communication patterns of accountants both with their colleague accountants and with other members of organisations. Based on interviews made explicitly for this study - and on a large secondary evidence - we bring out findings and arguments according to which the Finnish management accounting culture is experiencing a transition period. The background for the transition can rather easily be traced, among other things, to intense internationalisation, even globalisation, of Finnish companies in recent years.

Our primary findings reveal several indications of changing practices of management accounting in Finland. Generally speaking, the Finnish management accounting practice is characterised by new orientations: business, markets, customers, processes, and so forth. The overall organisation of the management accounting function is characterised by increasing decentralisation. Along these lines, more and more people in Finland believe in the idea that financial considerations should worry the entire personnel of firms - not just accountants - which is one of the core ideas of Cost Management thinking. Strategic issues have gradually diffused into the management accounting domain, for example in terms of increasing application of non-financial measurements derived from the critical success factors of companies.

In general, the Finnish management accounting culture seems to have been characterised by "bean-counting"-type accounting. It has been labelled by careful tallying of figures, and composing of reports without any better idea of the purpose they are used for in the end. However, we observed a general shift away from this model to a controller-type operation and organisation of management accounting. The controller-type accountant is not only responsible for the overall functioning of management accounting, but also for wide communication of management accounting information around the organisation. Crucial to his or her work is also a wide sense of responsibility and a true worry for organisational decision-making in a range of functions and operations. The Finnish controller is concerned as well with marketing and production issues, as with cost accounting, budgeting, performance measurement, competitor analysis, and so on. He is especially concerned with bringing his special knowledge to real decision-making situations, and feels responsibility for getting through the message based on this knowledge. Ideally the Finnish controller is thus also a change agent, who is not satisfied with only a verifying and stating role. He or she wants to affect decision-making also directly, whenever seen necessary. This change of orientation - which has already for some years been propagated by for instance consultants also in Finland - seems to be finding its real life counterpart in Finnish management accounting practice, at least in decentralised international companies.