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Change Resistance as a Barrier to Close Co-operation between Accounting Agencies

This article deals with accounting companies' willingness to co-operate. The research problem of the article is as follows: What resistance to change might cause the accounting company to opt for single-person or micro entrepreneurship rather than co-operation with other accounting companies even if the accounting entrepreneur is aware of the benefits to be obtained through co-operation?

The field of accounting represents the SMEs, i.e. micro companies. With the exception of a number of large accounting companies that were recently founded, the average accounting company only has a personnel of six including the entrepreneur. The professional field of accounting is presently in a state of radical change. The term profession here means special occupational expertise with a scientific fundament, related education, and possibly a legitimising examination. Professionalism, the opposite of amateurship, is often reflected in professional

norms, client and network relationships, and memberships in organisations supporting expertise, and is thus also defined by these bonds. Therefore, organising co-operation between accounting firms involves change pressures caused by professional knowledge, investments in new technology, and acquisition of knowledge needed for applying the technology. Even today, accounting firms could find a more significant role in promoting entrepreneurship. While accounting firms operate with the 'business-to-business' principle, professional growth by the accounting entrepreneurs is articulated, and their knowledge passed on to the benefit of their client companies. The professional growth of the accounting entrepreneur is equally a prerequisite of success in the field of accounting.

The theoretical framework in the article is based on the resistance to change theory by Pettigrew, which is here used to analyse reasons of non-motivation to co-operate among accounting firms. Pettigrew's theory is related to organisational activity in a change situation. Pettigrew proposes that factors slowing down and impeding a change process can be divided into external and internal factors, which he sees as inducing resistance to change. The organisation may find implementing change meaningful, but achieving change is suspended or slowed down by resistance. The activities of a change leader facilitate the implementation of change and help to reduce resistance to change.

The development of co-operation among the smaller accounting firms is more important rather than among middle-sized or large firms, from the perspective of knowledge management and investments. However, to establish co-operation between accounting firms requires a change leader according to Pettigrew. The task of the change leader is to reduce resistance at

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the onset of co-operation. He or she is an accounting entrepreneur who starts the design for the process, content, and context of co-operation. The profile of the change leader has strong qualities of internal entrepreneurship, for instance, initiative. According to this article, alternatives to co-operation include single-case or continuous collaboration with other accounting firms; co-operation based on oral or written agreements; a network of few or many accounting firms (a network is to come up as a result of continuous co-operation); franchising catenation, or voluntary catenation of equal accounting firms.

A process of professionalisation is connected with catenation. If the field was regulated, it would bring in collaboration, which would in turn help to realise the benefits of co-operation and ensuing catenation more clearly. Professionalisation would in this case diminish build-up of resistance to change. An accounting

firm rarely has a fully articulated strategy, and the field lacks specialisation of accounting firms. The prevailing strategy seems to be to serve all client companies in the environment. Since the articulation of strategy and core competencies are inadequate, this also results in reluctance to establish co-operation. Accounting firms do not clearly identify the benefits of systematic co-operation with each other. Professionalisation is defined as the development of an occupation or occupational field in the direction of further professionalism or specificity with reference to related expertise. Promoting of professionalisation would enhance the development of co-operation between accounting companies, and would further the catenation process of the field. The objective could be achieved through norms. Thus, to purposefully support professionalisation would reduce resistance to change in the field of accounting. ■