

Management Accounting Change: A Case Study of Balanced Scorecard Implementation in a Portuguese Service Company

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Abstract

This paper presents a longitudinal case study of management accounting (MA) change in a Portuguese service company operating within the information technology (IT) business which has implemented the Balanced Scorecard (BSC). BSC implementation turned out to be problematic. It took too long and faced several difficulties and obstacles. Drawing upon Kasurinen's (2002) revised model of accounting change, the factors that created a potential for change (motivators, facilitators and catalysts) and the events that seek to explain how the process of change evolved (*momentum* and leadership) are identified. Furthermore, Kasurinen's barriers to change (confusers, frustrators and delayers) have been recognised in the study. This investigation demonstrates how Kasurinen's (2002) framework can help researchers to understand the reasons and explanations as to why change occurs in organizations and the process by which MA changes.

Keywords: Management Accounting Change; Balanced Scorecard; Resistance; Barriers.

1. Introduction

Management accounting (MA) change has been the object of intensive discussion and scrutiny, particularly in the last two decades. Change has been described as directly related to the organizational culture of the ‘New Economy’, which is characterized by innovation, fast-paced operations, informal practices and the entrepreneurial spirit of risk investment (Burns and Vaivio, 2001). This implies that MA, academics and practitioners are facing challenging times. Furthermore, change has been identified in organizations in respect of organizational design, competitive environments and information technology (IT), which involves ‘a need for MA to change also’ (*ibid*, p. 389). Case studies reported by researchers have revealed that MA change presents a wide scope of categorization and is difficult to standardize. Change has been depicted as something: i) that is premeditated by organizational authors (change as a managed and formal organizational event or process) or, in a diametrically opposite logic, as something not consciously planned (change as an unmanaged phenomenon, also including informal elements); ii) that ‘connects’ a logic which may be categorized as linear (systematic endeavour) or non-linear (unsystematic and unpredictable); iii) that may follow a functional logic or may be conceived as inherently political activity; iv) that can be seen as a centrally driven effort (where top management plays a key role) or as a fundamentally local concern (where local actors within decentralized structures are the real architects and mobilizing agents of change); and v) that is intertwined with a changing organizational culture or takes a passive and more adaptive role within such a comprehensive organizational change (Burns and Vaivio, 2001).

The process of Balanced Scorecard (BSC) implementation may be considered one of the most common examples of MA change these days (Epstein and Manzoni, 1997; Sousa and Rodrigues, 2002). Broadly conceived, the BSC is a tool that, if framed properly in the organizational culture and if linked accurately to the global management system of companies, has a high potential that surpasses its technical characteristic as a framework for performance evaluation. The aim of this research is to contribute to the understanding of the reasons and explanations as to why and how MA change occurs, by analysing the advancing forces of change and the wide range of potential problems related to change implementation identified in a specific Portuguese IT company (called Alpha¹), in a BSC context. Specifi-

cally, the researchers are interested in analysing both the influencing forces of change and the barriers to the accounting change in Alpha, by following Kasurinen's (2002) revised accounting change model. This research also aimed to test empirically Kasurinen's (2002) three barriers to change (confusers, frustrators and delayers), which have been proposed by this investigator to be added into Cobb *et al.*'s (1995) model as a means of gaining a deeper understanding of the influencing forces in a change endeavour.

To this end a longitudinal and explanatory case study, which according to Kasurinen (2002, p. 328) 'seems to provide a potentially fruitful method for studying influencing forces in a change project', was conducted between July 2004 and January 2006 in Alpha. This research sought to provide an in-depth case analysis to better characterize and understand MA practices and to narrow the gap between theory and practice (Ryan *et al.* 2002).

This paper is structured in five additional sections. Section 2 discusses previous research on MA change, including Kasurinen's (2002) framework of accounting change. After this, the research methods and methodology adopted in this investigation are presented in section 3. In section 4 the empirical study is described. The paper continues with discussion in section 5 and ends with the conclusion in section 6.

2. Management Accounting Change and Kasurinen's (2002) Model

MA change is rarely a consensual, neutral activity. Power is involved, alliances are made, a 'game' of interests takes place, real objectives may be disguised or equality is not a common rule (Burns and Vaivio, 2001). As Ribeiro and Scapens (2004, p. 4) stated, organizations are more than mere systems that respond to pressures placed on them. They are rather sites where multiple and possibly conflicting goals frequently clash. Therefore, it is likely that power and politics (i.e. the struggles and strategies to acquire power) shape what MA are and become. In a more general framing, Strebel (1996, p. 86) argued that 'for many employees, including middle managers, change is neither sought after nor welcomed. It is disruptive and intrusive. It upsets the balance.' Moreover, the importance of rules and material conditions in modelling the power of managers (as different actors or groups) must also be considered, as well as in influencing their strategies to gain power (Ribeiro and Scapens, 2004). As a consequence, concerns about the implementation of new management tools and/or of management change processes, failures and resistance are real in many companies. Evaluation of the implementation of accounting change frameworks (e.g. activity-based costing) can vary at lower and top management levels, and operational re-

lations, power, conflict and employees' resistance are significant points at issue to consider in organizations (Major and Hopper, 2005). Scapens and Roberts (1993) observed that resistance to accounting change is illogical and emotional, being probably informed by a wide scope of concerns and fears. This statement implies the need to understand resistance in the context of organizational and historical contingencies (since they influence the process of accounting change).

In a wide scope, resistance and barriers are linked to organizational structures, mainly because organizations are simply resistant to change. In this respect Roberts and Sylvester (1996) claimed that internal barriers exist in organizations due to the inherent nature of the business. According to Argyris and Kaplan (1994) potential barriers to change can be due not only to inadequate education and sponsorship but also to the inexistence of enough internal commitment. These researchers referred to education, sponsorship and incentive alignment as the necessary conditions for successful managerial action. Accordingly, if organizations do not possess these conditions, individuals and groups threatened by the implementation of new management techniques or ideas may produce organizational resistance and defensive behaviour.

Evidence has showed that resistance and barriers may have several sources, some linked to a cost and benefit perspective of the implemented framework, some related to organizational power and politics, and others pertinent to organizational culture (Malmi, 1997). Malmi concludes by contending that 'although the resistance may originate from various sources, these sources appear fundamentally structural and are unlikely to be dealt with by employing implementation-based strategies' (p. 475). Furthermore, the reasons for the resistance and abandonment of a new accounting system may lie in its non-consonance with dimensions of organizational power and of the organization paradigm (Markus and Pfeffer, 1983).

Innes and Mitchell (1990) claimed that the investigation of the reasons behind change and the process by which MA has changed in organizations has not received much attention. According to these researchers little understanding has been provided of why and how change has come about (e.g. firm-specific origins, mechanics and consequences of MA were not explored). As a result of this they proposed to develop a descriptive analysis of the process by which MA change has occurred at the level of the firm within a real-world setting. The outcomes of this field study were expressed in the development of an accounting change model (Innes and

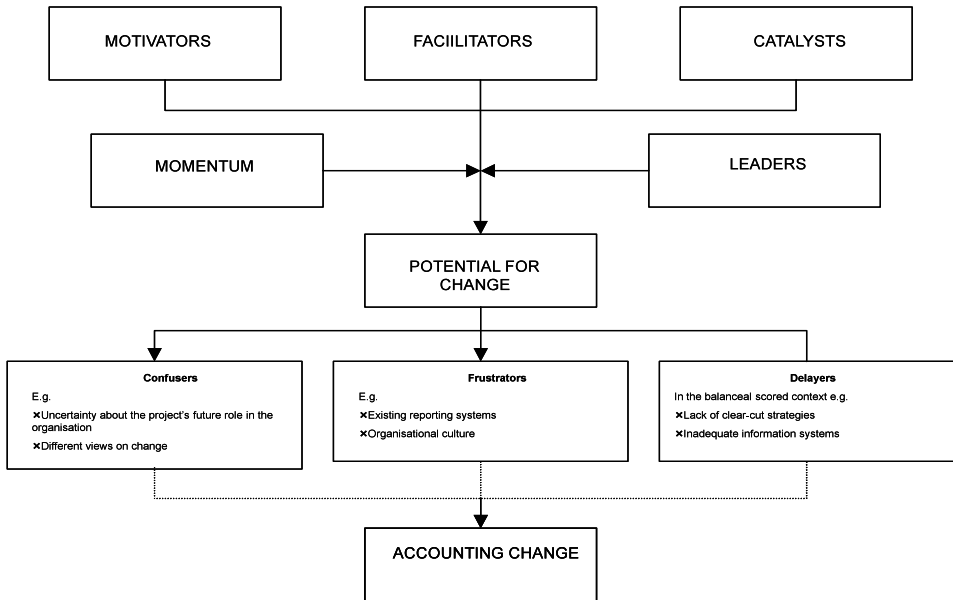
Mitchell, 1990) which was further developed by Cobb *et al.* (1995) and later by Kasurinen (2002).

After analysing which factors influenced MA change, Innes and Mitchell (1990) developed a threefold classification for describing the forces that press organizations for change. Their typology was based upon the nature and timing of the influence on change. The factors correspond to a specific set of circumstances which affects MA change and explain the process by which MA develops: i) motivators, i.e. the factors that influence the observed changes in a general manner; ii) facilitators, i.e. the conditions conducive to MA change which were necessary but not sufficient, *per se*, in order that the change might occur; iii) catalysts, i.e. the factors that are directly associated with the change and the occurrence of which corresponds closely to the timing of change. MA change occurs through the interaction of these three types of factors or circumstances. The motivators and the catalysts acted positively to originate change, but could only become effective where facilitators exist (Innes and Mitchell, 1990).

Several years later, Cobb *et al.* (1995) carried out a longitudinal case study (which took place over several years) to study MA changes that were occurring within a division of a large multinational bank. The main contribution of these researchers was the development of the Innes and Mitchell (1990) model of change by adding the factors that hinder, delay or prevent change (the barriers to change) and the factors that influence how the process of change occurs within the organizations (leadership - the influence of individuals - and *momentum* for change, which is associated with the expectation of continuing change). In this respect Kasurinen (2002) refers to leadership as the influence of individuals who may act on the process of change, and to *momentum* of change as a factor, a situation or an event to keep things moving in the organization. He concludes by claiming that ‘motivators, catalysts and facilitators may be necessary to create a potential for change but action by individuals is needed to overcome the barriers to change. Otherwise, the change initiative will be deflected by the barriers. Sufficient *momentum* is ‘then required to maintain the pace of change’ (Cobb *et al.*, p. 173). On the other hand, ‘change will not occur without commitment through the management process’ (Kasurinen, 2002, p. 172).

Kasurinen (2002) introduced further developments to Cobb *et al.*’s (1995) model (mainly at the barriers level by specifying and categorizing three types of barriers to change) (see Figure 1).

Figure 1: Revised accounting change model (Kasurinen in Management Research, 13, 2002, figure 7, p. 338)



This model was based on a longitudinal case study (with the focus on the BSC introduction) in which the investigator attempted to explain the reasons for MA change and the factors involved. According to Kasurinen (2002), the role of the barriers and of the influencing forces in the change process would be more easily recognized in a real-life organization, particularly if investigated at the early stages of a project.

Kasurinen (2002) acknowledged the merits of Cobb *et al.*'s (1995) model in combining the forces advancing and hindering change. However, he proposed an expansion of the model by dividing the barriers to accounting change into three categories. Accordingly, 'a more exact categorization would make the recognition of the barriers' role easier and facilitate the attempts to explain the change. (...) Potentially, a deeper understanding of the influencing forces in the change process could also help organizations in their attempts to circumvent the problems in practice' (*ibid*, p. 337). Consequently, the barriers were subcategorized into confusers, frustrators and delayers. Confusers are the barriers that may 'disrupt' the case project, frustrators are the barriers that may 'suppress' the change attempt and delayers are the barriers that may delay the change attempt in the context of

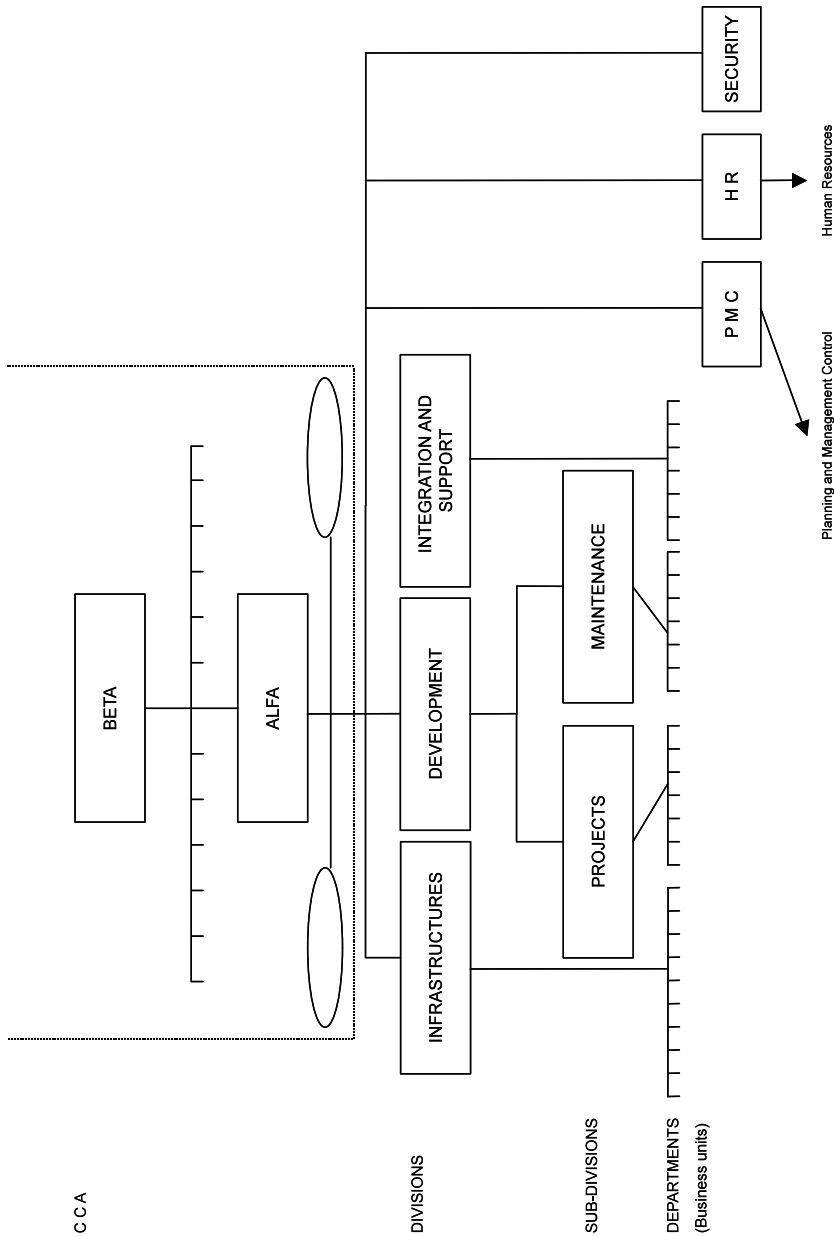
the specific MA change process (Kasurinen, 2002). Norreklit and Mitchell (2007) clarified the definition of these three types of barriers to change, referring to the confusers as the uncertainty about the role of the BSC, to the frustrators as the existence of an antagonistic engineering culture and to the delayers as the difficulties in specifying strategies.

3. Research Methods and Methodology

The research method that was followed in this investigation consisted of a longitudinal case study, which was conducted in a service company (Alpha) from July 2004 to January 2006.

Alpha is a company that is part of an important Portuguese financial group (henceforth the Beta group²) which provides IT services within the group (mostly for the parent company). It was created in 2000 as a result of the merger of the several information systems (IS) departments of the other Beta group companies. Its mission consisted of ‘creating in an efficient and quality way an IS aligned with the business needs of the Beta group in order to support its performance’ (internal documents of Alpha). Alpha employed about 1,100 internal staff in 2005. The total revenues measured as the level of maintenance contracts and services rendered were € 74,019,000 in 2004 and € 51,088,000 in 2003. In 2004 investment represented € 40,180,000. The company was organized in a structure based on processes, which can be synthesized organically in five big divisions and sub-divisions (see Figure 2): i) Infrastructures; ii) Development; iii) Integration and Support; (iv) Projects; and v) Maintenance. Under the supervision of these divisions there were 34 departments (defined as business units – BU) and at a lower level teams and projects. The Planning and Management Control Department (PMCD) was directly under the supervision of the Board of Directors (BD) and included the BSC team, which led and coordinated the process of BSC implementation in Alpha.

Figure 2: Organizational Model



As the aims of this research were to obtain a holistic and integrated understanding of the difficulties and problems related to BSC implementation at Alpha and the factors associated with MA change, a major explanatory case study was followed. Explanatory case studies have been adopted to explain the specific rather than to generate generalizations (Ryan *et al.*,

2002). Case studies enable researchers to understand MA practices ‘...both in terms of the techniques, procedures, systems, etc. which are used and the way in which they are used’ Scapens (1990, p. 264) and how (and if) the practices of MA are changing (Ryan *et al.*, 2002).

This research followed the stages/steps identified by Scapens (1990), Ryan *et al.* (2002) and Yin (2003) for conducting a case study. These were: i) developing a research design; ii) preparing to collect data and evidence; iii) collecting evidence; iv) assessing evidence; v) identifying and explaining patterns; vi) theory development; vii) paper writing. However, these steps were not followed sequentially but in an interactive way. Two main research questions were posed in this investigation: first, ‘how did BSC implementation unfold and evolve in Alpha and how did the managers use the framework in practice?’; and second, ‘does the case study fit in with the revised accounting change model presented by Kasurinen (2002)?’.

The researchers visited the case ‘site’ without being involved themselves in the issues that were researched, and interviewed the subjects of the study; hence their role in the field research can be classified as ‘visitors’ (Ryan *et al.*, 2002). 17 semi-structured interviews (11 involving BSC ‘producers’ and 6 involving BSC users) were conducted lasting 27.5 hours³. All the interviews were arranged by the PMCD manager after discussion about the objectives of the investigation. Interviews were planned in order to include managers from a wide range of Alpha’s divisions and business units. The purpose and methods of the investigation were presented at the beginning of each interview and assured the confidentiality of the information provided by the interviewees. Except for one interview that involved the PMCD manager and the BSC team manager together, all the remaining interviews were conducted one-on-one. Whenever possible interviews were tape-recorded⁴ and later transcribed. Several phone calls were made after the interviews to clarify specific aspects discussed in the interviews.

Besides the interviews, other sources of data were used to collect evidence. The BSC framework (and also the ‘reporting framework’⁵) was observed and analysed directly together with specific maps and scorecards, both strategic and operational. Furthermore, support documentation of the BSC implementation process and documentation from the intranet site were gathered. Documentation and writing material external to the BSC framework, such as newspapers/newsletters, Alpha’s annual financial reports, the organizational structure and the global management system were also collected and examined. Finally, the researchers obtained access to the documenta-

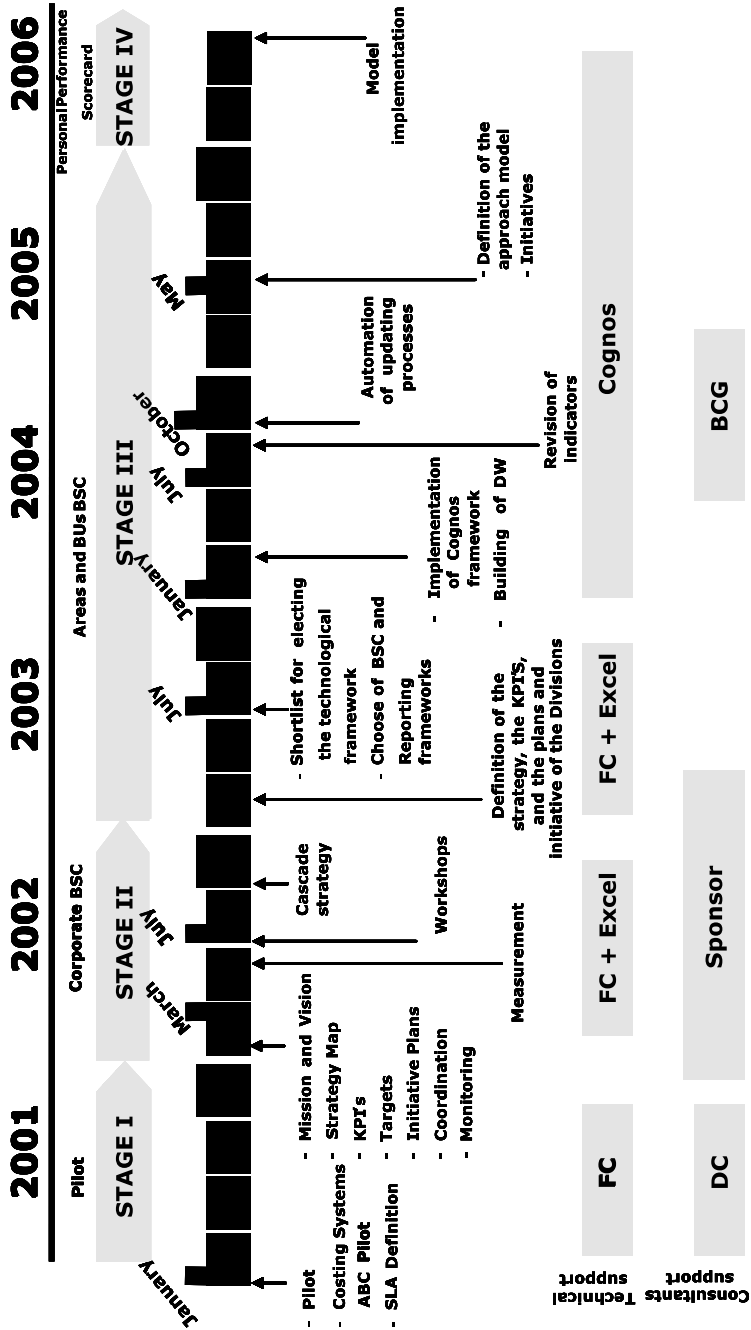
tion prepared for managers to support BSC workshops and seminars which took place in the company during the BSC implementation.

4. Empirical Study

The BSC project in Alpha was launched at the beginning of 2001 and lasted for more than five years. At the time the research came to an end (mid-2006) it had not yet been concluded. Before the introduction of the BSC, Alpha (and the previous IS departments of the Beta group) had no tradition in MA and management control. There was a planning and budgeting system but it was neither organized in terms of indicators nor linked to strategy. The few existing indicators were scattered and financially oriented. Therefore, the main idea that led to the development of BSC in Alpha was the need to create a new management framework that could permit an integrated vision of the organization throughout all the divisions. The implementation of BSC in Alpha closely followed Kaplan and Norton's prescriptions, particularly those recommended in their book 'The Strategy-Focused Organization'. To support the implementation process of BSC a specific team was created within the Planning and Management Control Department. This team, together with consultants (Deloitte Consulting, henceforth DC, and afterwards, Sponsor), was responsible for implementing the BSC in Alpha.

Figure 3 shows the main steps of the BSC implementation process in Alpha. This followed four successive stages: i) stage I – the Pilot; ii) stage II – Corporate BSC; iii) stage III – Divisions and Departments (BUs) BSC's; iv) stage IV – Personal Performance Scorecards (PPS). The implementation process began in 2001 with a pilot which aimed to prepare the conditions for implementing the BSC at the corporate level in stage II. A pilot activity-based costing (ABC) system was devised in order to consider whether it could be implemented in the whole of Alfa. Additionally, the pilot sought to investigate if a single measure could be created to measure Alpha's global performance⁶. Also in stage I, FC⁷ was selected to supply the technological support (software framework) of the information system and to 'build' the BSC.

Figure 3: BSC Project Evolution (Source: based on PMCD, Alfa)



In 2002, Alpha progressed to the second stage in implementing BSC in the company (corporate BSC). The board of directors (BD), consultants and the BSC team started by discussing Alpha's mission and vision, as well as its strategic objectives for the coming years. As a result of this, global objectives and key performance indicators (KPI's) were set up following the four perspectives of Kaplan and Norton and a strategy map was developed. Alpha's BSC perspectives were: the value perspective (equivalent to the financial perspective of Kaplan and Norton), the group perspective (corresponding to the customer perspective in the original literature), the internal business processes perspective and the infrastructures perspective (which corresponds to the growth and innovation perspective of Kaplan and Norton's BSC). Targets and initiative plans were also established at a corporate level. In order to ensure that the corporate scorecard was ready for use by top managers, coordination, communication, implementation and monitoring mechanisms were devised. Another important aspect of stage II concerns the integration and settlement of coordination mechanisms between the 'global management control system' (GMCS) and the BSC tool. Stage II was also aimed at promoting 'interaction between the strategic and budgetary cycles'⁸. At this stage, Sponsor (which replaced DC in mid-2002) were the consultants that collaborated and contributed to the clarification, definition and measurement of strategy, objectives and indicators in Alpha. In stage II, the first workshops took place in Alpha, involving members of the BD, top managers, the BSC team and consultants. Their aim was twofold: firstly, to provide training to top managers regarding the BSC; and secondly, to motivate them to use corporate BSC as a management tool. However, in practice, the BSC was used only by a few of the top managers. A 'roll-out' of monthly meetings was established in order to analyse achievements vis-à-vis the BSC of the previous month, so that corrective decisions could take place between the twentieth and thirtieth days. However, these managers' committee meetings were not frequent and only took place in some of the BD meetings. Difficulties were described by interviewees about the way indicators were measured and the reliability of the operational systems that were feeding the BSC. Although these problems were solved throughout the following two years much time had gone by and managers already felt tired and unmotivated due to the delays and time lost.

In Stage III, which started in 2003 and ended at the beginning of 2006, consultants and the BSC team established objectives, KPI's and initiative plans at the level of Alpha's divisions/sub-divisions and BU's. Their purpose was to drill-down the corporate BSC to operational divisions and departments. Thus, objectives and indicators were discussed by operational managers

according to the strategic objectives, vision and mission established for the organization by the BD and consultants. A top-down approach was thereby followed most of the time. However, some of the divisional managers refused to cascade their objectives and indicators from the corporate BSC. Instead they proposed their 'own' objectives independently of what had been decided by top managers. As in stage II, some difficulties and problems arose with the operation of the divisional BSC's: firstly, not all divisions and departments ended up with a BSC; secondly, integrating data in order to feed the BSC's proved problematic, causing difficulties in the use of the BSC to support decision-making; and thirdly, further difficulties emerged when measuring indicators. In the view of the operational managers the main problems affecting the operation of the BSC were: i) there was a great deal of scattered information; ii) redundant, unstandardized and incoherent information was included in several data sources; iii) KPI's were not provided on time; and iv) there were gaps in communication and feedback among all hierarchical levels (between the BD and the divisional managers, the divisional managers and the BU's and the BSC team). As a consequence of all these problems, the BSC was not able to be integrated into the global management model (GMCS) of the organization as initially planned for this stage.

One of the causes of the problems found during stage III relates to the unadjusted software framework provided by FC. The FC software failed to fulfil the requirements of managers, basically because it was a standardized and rigid tool not prepared for the flexibility needed to operate Alpha's BSC successfully. Managers alleged in interviews that it was difficult for them to look for specific indicators using such limited software. The software framework provided by FC was built for a bigger organization than Alpha and as such it was not able to meet the detailed needs of Alpha's managers, who looked for flexibility.

After discussing internally how the software framework was affecting the BSC operation and usage, the BSC team, supported by the BD, decided to start the process of choosing a new software supplier. At the beginning of 2004, Cognos was selected as the new software supplier to support Alpha's BSC. Following the decision to change to a new software supplier, and as a way of dealing with the difficulties described above, the consultants proposed the adoption of 'reporting' as a complement to the BSC. 'Reporting' enabled managers to obtain information more easily and quickly for managing their activities. Furthermore, 'reporting' contributed to improving managers' motivation and involvement in the BSC. Despite these efforts some

resistance in relation to the use of BSC could not be overcome. According to the PMCD manager this was due to a 'cultural deficit' towards planning and control activities. Evidence of this might be illustrated by managers' comments about whether the 'BSC was a means of controlling them' and 'if the BSC was developed because there was suspicion regarding them and their activities'. This deficit of trust in the purposes of the BSC was further fuelled when a member of the board of directors (MB⁹), who had been the main instigator and sponsor of the BSC until then, moved to another area in Alpha at the end of 2004, and left Alpha at the end of 2005. According to the PMCD manager the new member of the board who became responsible for the PMCD was not very enthusiastic about the BSC, and hence was not able to deal with managers' scepticism regarding BSC's usefulness for the organization.

In 2004, a rearrangement was carried out with the help of the Boston Consulting Group (BCG) consultants. New objectives, new indicators and new metrics were defined at the level of divisions and departments. However, managers in general were not truly attached to the objectives and indicators in the BSC framework even though large investments were being made to improve the new MA tool. At the end of this investigation Alpha was still facing problems in consolidating stage III. Not all the divisions and BU's had their own scorecards or had defined objectives and indicators. As a result, the PMCD manager could not advance to stage IV and develop the personal performance scorecards. According to her, 'the success of the BSC implementation process will be dependent upon the possibility of aligning individual objectives with global strategy.' Nevertheless, despite the PMCD manager's willingness to move into the connection of the BSC with the system of evaluation by objectives (which comprises the individual evaluation of performance that links to the incentives and rewards system) Alpha remained at stage III until the beginning of 2006.

5. Discussion

As in Kasurinen's investigation (2002), this study is focused on the introduction of the BSC in one case organization framed in an MA change process. All three factors necessary to create a potential for change (motivators, facilitators and catalysts) included in Kasurinen's (2002) revised accounting change model were present in Alpha's case study of BSC implementation. Several factors motivated and influenced accounting change in a general manner in Alpha (motivators). After its creation in 2000 as a result of the merger of the different IT departments of the companies that were part of

the Beta group, an organizational change project comprising the implementation of BSC throughout Alpha was launched. Alpha's board of directors was concerned to implement a MA tool which could help in the communication of Alpha's defined strategies to all the divisions and departments in the organization. Thus, BSC implementation was regarded as a means of aligning the objectives of each division and BU with the overall strategy of the newly created Alpha. Furthermore, Alpha had a poor and exclusively financially-oriented management control system which was not able to aid managers' decision-making processes. The lack of suitable MA information created a context favourable to accounting change. A final factor which might also have motivated Alpha to embark on a project of MA change concerned the nature of its activity. Alpha's business was IT, and hence product innovation was essential to guarantee its survival in a competitive environment. An old and inefficient MA system was not able to provide updated and relevant information for management.

Also, in Alpha's case study the researchers found several factors that facilitated accounting change (facilitators). Facilitators are necessary yet not sufficient for initiating change. The creation of the PMCD under the direct supervision of the BD, and the establishment of a BSC team responsible for the implementation of the BSC together with consultants were factors that facilitated the introduction of change. The BSC team was the 'engine' of the implementation process of the BSC. In fact, the BSC could not have been introduced in Alpha without adequate organizational support. Equally the profile and personal characteristics of the PMCD manager who led the BSC team were important aspects for easing BSC implementation. Another factor that permitted MA change in Alpha was the recruitment of consultants experienced in management tools and in BSC and supporting information systems. The BSC could hardly have been introduced in Alpha without their support and technical advice. Alpha's autonomy from its parent company (Beta) was another facilitator of MA change in the organization. Alpha's management (and the BD in particular) had a great deal of autonomy in relation to Beta, which proved important in speeding up the decision to adopt the BSC. Apart from these aspects, Alpha had a strategically well-structured situation which facilitated its ability to define and clarify at the early stages of the BSC implementation process its strategy, mission and vision. This lowered the threshold of introducing the BSC in Alpha.

Moreover, in the Alpha investigation there were also factors which were directly associated with the decision to implement the BSC and occurred close to the time of the change (catalysts). One of these factors concerned

the inclusion of MB in the BD. MB's entrance into the BD was decisive to Alpha embracing a project of MA change and to introducing the BSC. MB played a decisive role in the BSC project, championing it until he left the company in 2005. As a member of Alpha's board of directors, MB had all the resources needed to support such a project of change. Similarly, the admission of the PMCD manager was very important in prompting the company to change. PMCD together with MB were crucial to initiate MA change in Alpha.

As mentioned before, motivators, facilitators and catalysts are factors or circumstances that are necessary to create the potential for change. However, sufficient *momentum* is also required (Cobb *et al.*, 1995). The potential *momenta* for change (which correspond to the situations, factors or events that keep 'things moving') in Alpha can be described thus: first of all, there was an active sponsorship and support by the BD (in particular by MB) at least until 2005. The sponsorship of the project was decisive to 'pushing' the BSC ahead. In a similar way, the coordination of the BSC implementation by the PMCD manager and the creation of the BSC team were very important to maintain the project's ongoing status; the participation of consultants with a good knowledge of how to implement the BSC was an additional important contribution to the evolution of the process. Finally, the development of 'reporting' in response to the problems and difficulties related to the BSC operation was a way to make the project continue and to motivate managers.

Kasurinen (2002) in his model included an additional factor that influences the process of how change occurs within organizations – leadership. In this respect, the researchers found that the influence of MB (the 'champion' of the BSC) and the PMCD manager ('the owner of the system') were determinant in Alpha's BSC implementation.

The investigation showed that together with various forces of change which prompted Alpha to embark on a project of MA change there were also several sorts of barriers hindering, delaying and preventing change. In fact, after initiating the change process and the BSC implementation, several contradictions and a wide variety of difficulties emerged. As Malmi (1997) argued, change projects are not easy and do not always lead to a successful implementation even if they are skilfully managed. The barriers to change found in the case study are described next. The first group of barriers concerns the confusers (i.e. the barriers that may disrupt the case project). Insufficient dialogue and communication among managers and between

managers and the BSC team was the first disruption identified in the investigation. Because Alpha was recently created, channels of communication and the exchange of information were still being established between the different divisions and BU's. The departure of the BSC 'champion' (MB) in 2005 was an additional impediment to BSC implementation. It caused uncertainty about the project's future role in the organization. Besides these aspects, there was also resistance to top-down cascading, which disturbed stage III of BSC implementation. Furthermore, the researchers found that the top-down procedure of defining objectives and indicators caused constraint among some managers. Consensus was not always obtained in the workshops and, even when it was reached, there were later instances of attitudes of managers that ignored the previous compromise. Moreover, the technical difficulty in 'cascading' some objectives and indicators (problems with metrics) increased the dimension of this barrier. A last confuser barrier concerned cultural resistance (similar to the 'not invented here' phenomenon, which was a part of one of Kasurinen's confusers) to the use of management accounting and control techniques. Most of the managers in Alpha were not accustomed to using management and control tools and not even to performance measurement. Some of the managers went on using the 'old' operational MA as management tools instead of the BSC. Managers, in general, did not feel the need to change, and distrusted the objectives of the introduction of the BSC in Alpha.

Frustrators (that is, the barriers that may suppress the change attempt) were also present in the Alpha investigation. After the 'BSC champion' left Alpha the lack of sponsorship became evident (after clearly existing at the early stages of the BSC project), which could have led to the abandonment of the project. This barrier is directly linked to the departure of the BSC champion mentioned before in the 'confuser barriers'. There were also frequent changes in Alpha's organizational structure, especially in the first years after its set-up, which held back the BSC project. The numerous changes which occurred at several levels (BD, divisions and BU's) of Alpha's structure created difficulties in the BSC implementation and contributed to the likelihood of the abandonment of the project. The moving of managers related to the changes in the organization's structure did not make them feel accountable for objectives and indicators. Furthermore, objectives and indicators were often altered.

Finally, the delayers (i.e. the barriers that may delay the change attempt) were also identified in Alpha. The first delayer consisted of the inexistence of adequate data and information systems (which was similar to one of

Kasurinen's delayers). The first supplier of the BSC software framework (FC) could not provide Alpha with a suitable tool to meet the company's needs. Even though Cognos later replaced the previous supplier there was a delay caused by the inadequacy of the former software framework. Another factor that delayed the BSC project was the deficient measurement of the indicators. Several problems were detected in Alpha concerning the technical difficulty in measuring and 'cascading' the objectives and the indicators throughout the organization. The problems were linked to the data sources, the 'building' of the indicators (problems with metrics) and the reliability of the operational systems. A final delayer concerns the insufficient understanding of the BSC by the staff. This barrier was also categorized as a confuser. The absence of a clear understanding of the objectives of the BSC, and the management system in general, caused consecutive delays in the BSC implementation process.

6. Conclusion

This investigation was intended to provide a descriptive analysis of the process by which MA change has occurred at the level of a firm within a real-world setting supported by Kasurinen's (2002) accounting change framework. The empirical research developed in Alpha appeared similar to Kasurinen's case study, and supported the revised version of the accounting change model proposed by this investigator. As a result of this, an important contribution of this study relates to the corroboration of Kasurinen's framework. In fact, the practice associated with BSC implementation in Alpha is best explained by this model. The advancing forces of change were fully identified and sufficient similarity to Kasurinen's research was found in respect of motivators, facilitators, catalysts, *momenta* for change and leadership. Similarly, several barriers and resistance to change which were identified in the case study were able to be explained by Kasurinen's model. Therefore, most confusers, frustrators and delayers identified in Kasurinen's study were observed throughout this investigation. Some other contributions can be pointed out. Firstly, the researchers identified in Alpha a barrier as a frustrator (the frequent changes in Alpha's organizational structure), which was regarded by Kasurinen in his case study as a confuser. This different categorization is due to the subjectivity the researchers found in the classification proposed for the barriers to change by Kasurinen. Some factors or circumstances may be classified in a specific case study in one categorization barrier while in another case study they may be classified in a different category according to the perspective of the researcher. Secondly, from the Alpha investigation the researchers could conclude that there were

barriers that could be classified into more than one category at the same time. This means that Kasurinen's barriers might overlap in some cases. For example, in Alpha the insufficient understanding of the BSC by the staff was simultaneously a confuser and delayer type of barrier. These aspects need to be further investigated in other empirical studies.

There were some limitations in the development of this research. Most interviews were carried out within the main divisions of Alpha, the BSC team and the PMCD and few interviews were carried out comparatively with the operational managers of BU's. Also, the investigators could not tape-record all the interviews, even though very important statements were made by interviewees. Furthermore, the research was conducted during one and a half years but more time would be needed to obtain deeper insights into the case, particularly with regard to power and political issues.

Lastly, suggestions for further studies are made. A large number of cases of BSC implementation projects seem to fail and difficulties concerning MA change are commonly identified. More case studies exploring the way MA changes have occurred in their particular organizational context are needed. Furthermore, researchers should attempt to verify whether Kasurinen's advancing forces of change and barriers to change are the most appropriate to explain practice and the reasons for unsuccessful MA change implementation.

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¹ Alpha is the disguised name of the company in which this case study was carried out. The real name of the company is not disclosed for reasons of confidentiality.

² For reasons of confidentiality, Beta is the disguised name of the parent company of Alpha. Beta is the head of the group and the only shareholder of Alpha.

³ 17.5 hours involved BSC ‘producers’ and 10 involved BSC users.

⁴ The researchers only obtained authorisation to tape-record four interviews. The researchers encouraged interviewees to speak freely about what they thought about the BSC and how it was affecting them in their daily activities, although this often meant that the researchers could not tape-record the interviews. When the interviews were not tape-recorded notes were taken during the interviews and immediately after them.

⁵ Reporting is a complementary tool that was developed in Alpha to present operational management information to managers in a quick and easy way, despite not including targets and deviations.

⁶ ‘Service Level Agreement’ (SLA) was the measure defined by the consultants and the BSC team to this end.

⁷ FC is not the actual name of the supplier of the framework. For reasons of confidentiality, the name was disguised.

⁸ This interaction was assured by the definition of balanced and aligned indicators, targets and initiatives. These represented the link to the budgetary cycle and allowed performance and control.

⁹ MB is not the actual name of this member of the BD. For reasons of confidentiality the name is disguised by using the abbreviation MB (member of the board).