

**Rethinking 'Simplified' Bookkeeping:
A Case Study of the Shared Services Centre**

Submitted by Titawadee Sutthijakra to the University of Exeter
as a thesis for the degree of
Doctor of Philosophy in Accountancy

May 2016

DECLARATION

This thesis is available for Library use on the understanding that it is copyright material and that no quotation from the thesis may be published without proper acknowledgement.

I certify that all material in this thesis which is not my own work has been identified and that no material has previously been submitted and approved for the award of a degree by this or any other University.

(Signature)

ABSTRACT

It is more than a decade that the way of organising the bookkeeping function through the shared services model has been widely adopted by organisations. Large multinational companies usually offshore bookkeeping activities to shared services centres (SSCs), established in cheaper locations. However, a phenomenon of SSC bookkeeping is relatively a black-box in academia. Academic literature on bookkeeping practices in recent times, as well as bookkeepers involved, is scarce. In particular, there is a widely held view that activities constituted by this supporting function in this age of advanced computerisation are 'simplified' and 'low-skilled'. Therefore, this thesis explores this relatively-neglected (but important) area in accountancy, with the purpose to enhance understanding of the extent of simplification and deskilling of SSC bookkeeping.

By conducting an interpretivist case-study of a SSC in South East Asia, owned by a large European airline, a new perspective on bookkeeping practices is offered. The thesis, theoretically informed by an 'institutional' lens of Burns and Scapens (2000), supplemented with a view of new institutional sociology, argues that SSC bookkeeping is not a low-skilled and simple practice, and that there is an incongruence between the widely held perception of simplified bookkeeping and the actual *complex* nature of (in particular, SSC) bookkeeping practices. Also, this thesis illuminates that the beancounter image does not capture characteristics of bookkeepers in the SSC who are shaped to be mindful, active, adaptive, and socialised. Furthermore, the case study enables us to see the way the bookkeeping function can play an active and influential role, when being a 'core' function in the SSC. Indeed, knowledge created by this thesis is original and interesting, since it challenges the widely held perception. Moreover, grounded on the empirical evidence, contributions to Burns and Scapens (2000) and organisational routines research are proposed.

ACKNOWLEDGEMENTS

To pursue an academic career in my home country where a doctor's degree is highly valued, I decided to sign up to the doctoral programme. Doing a doctorate is an invaluable experience for me. It has prepared me for an academic career in the near future, particularly as an interpretive researcher. There are people whom I would like to show my sincere gratitude for supporting me throughout my PhD journey. I have been sincerely and greatly grateful to my first supervisor, Professor John Burns, and my second supervisor, Stephen Jollands, who provided guidance and support in accomplishing this thesis. I have learned a lot from their constructive feedback and wisdom. Moreover, both supervisors gave encouragement and moral support whenever I needed. I also would like to send deep appreciation to the academic and administrative staff in the Business School who gave me great support for completing my study.

Furthermore, I owe sincere thanks to the Managing Director in the case organisation who granted me access and all my interviewees. I have appreciated that they kindly participated in my research, shared their working experiences, and gave insightful opinions. Indeed, their cooperation helped this thesis produce interesting knowledge. My appreciation is also sent to my former boss in the case organisation who offered me a training position. The great opportunity she had given was a turning point of my life. All my trainer experiences inspired me to pursue an academic career.

Finally, I would like to express my gratitude to my family who gave me support and encouragement throughout my entire PhD time. Importantly, I am very lucky to have my mother and father, who have been patiently supporting and awaiting me to make contributions to academia in my home country. Also, my sister, who was awarded a doctorate from the University of Manchester, persuaded me to sign up for the doctoral study in UK, as she believed that this academic programme would immensely increase my self-esteem, in the long run. And she was absolutely right.

CONTENTS

DECLARATION	2
ABSTRACT	3
ACKNOWLEDGEMENTS.....	4
CONTENTS.....	5
FIGURES AND TABLE	8
ACRONYMS.....	9
CHAPTER 1 INTRODUCTION.....	10
1.1 Research background	15
1.2 Research design.....	21
1.3 Empirical findings	24
1.4 Chapter outlines	27
CHAPTER 2 LITERATURE REVIEW	30
2.1 Bookkeeping.....	31
2.1.1 Perception of simplified bookkeeping	31
2.1.2 Transition of bookkeeping.....	38
2.1.3 Some evidence of complexity	47
2.2 Bookkeeping in shared services centres (SSCs)	51
2.2.1 The concept of bookkeeping in SSCs.....	51
2.2.2 Anticipated simplicity.....	55
2.3 Reflection	61
CHAPTER 3 RESEARCH METHODOLOGY	63
3.1 Methodological approaches in accounting research.....	64
3.1.1 Philosophical assumptions	64
3.1.2 Classifications of accounting research.....	65
3.2 Employing an interpretive accounting, case-based approach	70
3.3 Establishing a <i>rigorous</i> , interpretive case study.....	75
3.4 Theoretical perspectives in explanatory accounting case study	80
3.5 Reflection	85

CHAPTER 4 A THEORETICAL LENS	87
4.1 Introduction.....	88
4.2 Inspiration of Burns and Scapens (2000)	92
4.2.1 Old institutional economics (OIE)	92
4.2.2 Structuration theory	93
4.3 Key elements of Burns and Scapens (2000)	96
4.3.1 The institutional realm.....	97
4.3.2 Internal institutions relating to the macro-level institutions.....	102
4.3.3 Rules	109
4.3.4 Routines	116
4.4 Reflection	130
CHAPTER 5 BACKGROUND TO THE CASE STUDY.....	133
5.1 Profile of the case organisation	134
5.2 Important characteristics of the case organisation.....	136
5.2.1 Standardisation.....	137
5.2.2 Workforce	138
5.2.3 Performance measurement	140
5.3 Reflection	145
CHAPTER 6 CASE ANALYSIS	147
6.1 The taken-for-granted assumption of simplified bookkeeping.....	150
6.2 Standard operating procedures (SOPs) and routines	152
6.2.1 Extensive SOPs and compliant routines.....	153
6.2.2 Supporting learning and maintaining continuity	155
6.3 The underlying nature of bookkeeping tasks	159
6.3.1 Data entry.....	160
6.3.2 Technical aspects.....	162
6.3.3 The interconnectedness of tasks and related actors.....	166

6.4 The enactment of SOPs and routines.....	169
6.4.1 Enactment by experienced employees.....	171
6.4.2 Enactment by inexperienced employees	173
6.4.3 The ask culture	178
6.5 Reflection	181
CHAPTER 7 CASE DISCUSSION	185
7.1 Further discussion of the case study	186
7.2 Contributions to academic knowledge.....	197
7.2.1 Accountancy and the shared services	197
7.2.2 Burns and Scapens (2000).....	200
7.2.3 Organisational routines research.....	206
7.3 Implications for practice.....	210
7.4 Reflection	213
CHAPTER 8 CONCLUSION	215
8.1 Research background and process	215
8.2 Key findings, contributions to academia, and implications for practice ..	217
8.3 Limitations	220
8.4 Future research	221
8.5 Concluding remarks.....	224
APPENDICES	227
Appendix 1: List of interviews	227
Appendix 2: Organisational chart.....	231
Appendix 3: Interview guides.....	232
Bibliography.....	235

FIGURES AND TABLE

Table 1. Six basic ontological assumption sets.	65
Figure 1. Hopper and Powell’s taxonomy of accounting research.....	67
Figure 2. Characteristics of alternative schools of thought.	69
Figure 3. The dimensions of the duality structure.....	81
Figure 4. The process of institutionalisation.	89

ACRONYMS

BPO	Business Process Outsourcing
ERP	Enterprise Resource Planning
NIS	New Institutional Sociology
OIE	Old Institutional Economics
SAP	Systems, Applications, and Products
SOP	Standard Operating Procedure
SSC	Shared Services Centre

CHAPTER 1 INTRODUCTION

This thesis explores bookkeeping practices in a shared services centre (SSC), located in South East Asia, and whose parent company is a well-known multinational airline in Europe. The main purpose of this explanatory case study is to develop an understanding of SSC bookkeeping and, more specifically to reveal its complex nature in our society. Since the 1990s, the shared services model has become a trend amongst large multinational companies for managing the bookkeeping function, with the principal objectives being cost reduction and performance improvement (ACCA, 2012; Gospel & Sako, 2010; Herbert & Seal, 2012; Schulman, Harmer, Dunleavy, & Lusk, 1999). Under this approach, bookkeeping tasks, which are common across business units, are transferred to newly-established SSCs in cheaper locations, and which then become 'core' activity in those organisations. The metaphor 'transaction factory' has been used by some to give visualisation to an organisation which is responsible for processing seemingly straightforward bookkeeping activities, with high productivity.

The present investigation extends contemporary knowledge in an important area, since it challenges "something that is commonly seen as good or natural" (Sandberg & Alvesson, 2011, p. 32). That is, the widely held perception is that bookkeeping practices in the age of advanced computerisation constitute mundane record-keeping and routine transaction-processing activities, which are anything but not complex. Indeed, conventional wisdom suggests that computerised bookkeeping is 'simplified', a relatively straightforward and low-skilled organisational practice (Cooper & Taylor, 2000; Kirkham & Loft, 1993). In particular, a common view is that, as comprising organisational routines, bookkeeping demands more or less mindless or effortless (re-)enactment (Cohen, 2007; Cyert & March, 1992; March & Simon, 1993; Nelson & Winter, 1982). As Wootton and Kemmerer (1996) remarked: "Once on the job, the bookkeeper was not expected to make decisions involving reasoning or analysis" (p. 582).

This general assumption of 'simplified' bookkeeping features regularly in the shared services model. Underpinned by a standardisation of tasks and usually

the adoption of enterprise resource planning (ERP) technology, or following 'scientific management' principles, simplicity is anticipated in the SSC working environment (Bangemann, 2005; Cacciaguidi-Fahy, Currie, & Fahy, 2002; Rothwell, Herbert, & Seal, 2011; Seal & Herbert, 2013). Through standardisation (e.g., fragmented tasks, standard operating procedures (SOPs), training and how-to-do manuals), and with the capacity of ERP technology, it is generally assumed that bookkeeping tasks in SSCs are both simplified and routinised. Moreover, it is also therefore assumed to be easy to train-up staff who do not possess the necessary skill-set at entry level, or where the acquisition of tacit knowledge and routinisation of action are not deemed to be complex:

[...] standardised and simplified processes made it easier to train and monitor accounting staff, and replace some professionally qualified accountants with technician and clerical level workers (Seal & Herbert, 2013, p. 198).

These socially constructed views of the shared services model are particularly relevant to the organisational pursuit of cost reduction, a primary motivation for their adoption. Organisations usually allocate limited staffing budgets for SSCs, and exploit global labour arbitrage – that is, transferring bookkeeping activities to low cost, offshore countries. This gets to the core of why I wished to investigate SSC bookkeeping practices more closely. I previously worked for an SSC in South East Asia, and it was through this experience that I became intrigued about the differences (as I viewed them) between SSC bookkeeping in practice and the widely held perception of bookkeeping. Indeed, much of the extant literature also depicts SSC bookkeeping and bookkeeping in general as comprising low-skilled and simplified tasks, yet my first-hand experience suggested a markedly different, complex phenomenon.

Based on a case study, this thesis demonstrates that when it represents a core function in SSCs, bookkeeping is a very different phenomenon from that which is portrayed conventionally. The main arguments of the thesis are: (1) that SSC bookkeeping is not a low-skilled and 'simple' practice; and, (2) that there is incongruence between the widely held perception that bookkeeping in the age of advanced computerisation is 'simplified' and the complexity of SSC bookkeeping in practice.

An early illustration could be how a global, professional accounting body discusses how “task standardisation” and “the advances in ERP system” had deskilled clerical work in (say) accounts-payable towards “relatively unskilled, routine tasks” (CGMA, 2012, p. 4). However, as will be developed later, it will be revealed that the account payable function constituted hard work around highly-complex activities in the case organisation. Due to the high volume and variation in transactions, staff in the case study’s accounts-payable teams frequently worked after normal hours to complete the tasks demanded.

This thesis shows that standardisation and ERP technology do not necessarily make SSC bookkeeping low-skilled and simple activity, and that even highly routinised, standardised SSC bookkeeping practices can be complex. This complexity includes both technical and interconnected aspects of bookkeeping tasks; and the different nature of transactions, which intrinsically require judgment, interpretation, and analysis. Indeed, the case study in this thesis extends our understanding about how, even though SSC bookkeeping largely comprises organisational routines, they still require the sense-making repetition of actions and interactions, rather than mindless or effortless behaviour (Feldman & Pentland, 2003; Pentland & Rueter, 1994).

Especially in this age of advanced computerisation, knowledge in and experience of bookkeeping is not valued to any great extent (Cooper & Taylor, 2000; Seal & Herbert, 2013). However, the case study in this thesis demonstrates that not only is SSC bookkeeping a complex activity, but also that tacit knowledge and accumulated experience are important for efficiency in its reproduction. The following comment from the Managing Director of the case study provides a taste of such complexity in performing and learning SSC bookkeeping, and also sheds some light on why tacit knowledge and past-experience is also important for smooth and efficient processes:

At the end of the day, they have to understand the processes and general concepts, and the relationships between the processes and the parties involved; so that they can make judgments. People will tell you a lot of things, you will just have to decide what is right and what is wrong; what is important and what is not important (Managing Director).

The case study in this thesis illustrates that standardisation and ERP technology do not necessarily make SSC bookkeeping easy to learn, as is the widely held perception (Bangemann, 2005; CGMA, 2012; Seal & Herbert, 2013). Even for highly routinised, standardised SSC bookkeeping tasks, the acquisition of tacit knowledge and the routinisation of action are complex processes, which depend on the designed organisational products (e.g., fragmented tasks, SOPs, training, manuals, and ERP technology), social interactions (e.g., coaching, asking others, and coordination), and the repetition of practices over a considerable period of time (i.e., around three to five months in the case study of this thesis).

Furthermore, in contrast to a 'beancounter' image for bookkeepers which prevails in the academic literature (Jeacle, 2008; Warren & Parker, 2009), the case study reflects that such portrayal does not resemble the characteristics of staff in the case organisation. This thesis conveys an SSC working environment where even routinised and standardised tasks can be complex in nature, performance measurement and target-setting are common place, and there are high staff turnover and continuous hiring of new, inexperienced staff (Cacciaguidi-Fahy et al., 2002; CGMA, 2012), all of which creates a 'vibrant' character for bookkeepers. More specifically, in such circumstances, bookkeepers are required to be mindful, active, adaptive, and socialised in order to reach and maintain the anticipated service levels.

Bookkeeping is also generally perceived as being a rather mundane organisational function (Kirkham & Loft, 1993). However, the case study in this thesis reveals that, when concentrated in an SSC, bookkeeping practices can assume a rather 'active' role (Hopwood, 1976, 1987). More specifically, in the case organisation SSC bookkeeping shaped different organisational arrangements, created intra-organisational tensions, and demanded a great deal of work and effort from both operational staff and the management. For instance, the case sheds light on an interesting dynamic emerging from when mistakes were made in (e.g.) account-coding, cost allocation, and making money transfers (see Chapter 5 for more detail). The case study also reveals an interesting mechanism for learning and continuing day-to-day bookkeeping activities; more specifically, an 'ask culture', where inexperienced staff would ask experienced

colleagues for advice on accomplishing the various tasks (see Chapter 6 for more detail).

In such respects (and more), the present work extends previous research by offering more contemporary insights into SSC bookkeeping practices. Furthermore, whereas much of the extant literature is focused on executive and middle management levels (CGMA, 2012; Herbert & Seal, 2012), most interviewees for the case study in this thesis were staff at the operational level, who engaged in bookkeeping activities on a daily basis.

Our knowledge and understanding of contemporary bookkeeping practices, in particular within SSCs, is thin. That which exists is mostly technical knowledge in textbooks and socio-historical studies of the constructive role of double-entry bookkeeping in capitalism (Carruthers & Espeland, 1991; Sombart, 1953; Yamey, 1949). Such scarcity of knowledge and an overall lack of understanding the contemporary nature of bookkeeping are probably surprising, given that it is a practice which represents a significant sector in terms of global employment (Baker, 2001; Cooper & Taylor, 2000). Moreover, it is also an important practice, since SSCs have become widely accepted amongst both large multinational corporations and public sector organisations in developed countries (ACCA, 2012; Gospel & Sako, 2010; Malcolm, 1999). SSC bookkeeping is the way through which many of today's large organisations manage their record-keeping and transaction-processing activities or data processing function in accountancy. As a consequence, there have been calls both in academia and amongst practitioners and managers for greater empirical evidence concerning the SSC bookkeeping phenomenon (Cacciaguidi-Fahy et al., 2002; Herbert & Seal, 2012; Sako, 2006; Selto & Widener, 2004). In particular, recent literature has included calls for more empirical evidence on the relative efficiency of SSCs. It is in this context that the following offers new knowledge about contemporary bookkeeping practices in SSCs, to highlight its complexities and to reconsider the nature of a bookkeeper's role.

The remainder of this introductory chapter provides an overview of the thesis, structured in four sub-sections. Section 1.1 elaborates on the research background, including further description of the research purpose and motivation.

This section also consists of a brief overview of the relevant literature, and thus further establishing a basis for investigating the extent of simplification and deskilling of SSC bookkeeping. Section 1.2 briefly describes the research design and also a taste of some theoretically-informed investigation of bookkeeping practices in the case organisation. Then, in section 1.3, there is a summary of the main empirical findings. Finally, section 1.4 presents an overview of all of the subsequent chapters in the thesis.

1.1 Research background

This sub-section covers in more detail what is meant by 'bookkeeping' and a 'shared services centre' (SSC). It is essential to be clear at the outset about the assumed meaning of bookkeeping, since it is a term which is socially constructed and can differ over time and space (see Chapter 2 for more discussion). Moreover, there is a need to be as precise as possible because 'bookkeeping' is often conflated to 'accounting' in society. Based on a review of relevant extant literature, bookkeeping is defined here as the record-keeping and transaction-processing activities or data processing function in accountancy (Bougen, 1994; Carruthers & Espeland, 1991; Cooper & Taylor, 2000; Kirkham & Loft, 1993; Wootton & Kemmerer, 1996). Moreover, based again on conventional writings as a starting point, it is assumed that bookkeeping practices constitute repetitive and routine activities, which do not require any substantial amount of judgment, interpretation, and analysis.

A bookkeeping SSC is defined here as an independent unit, established specifically to provide bookkeeping services to the multiple business units of an organisation (Bangemann, 2005; Cacciaguidi-Fahy et al., 2002; Malcolm, 1999; Schulman et al., 1999). The establishment of SSCs in a factory-like form in offshore locations, particularly amongst low-cost countries, has become a regular feature in recent times amongst large multinational corporations (Gospel & Sako, 2010; Seal & Herbert, 2013). The shared services concept resembles the outsourcing practice in terms of its motivation for cost-reduction; the physical separation of record-keeping and transaction-processing activities on the one hand, and core accounting activities on the other; the standardisation of

perceived uncomplicated activities; and the employment of offshore locations. However, shared services and outsourcing are actually quite different organisational arrangements; SSCs are internally-established, whereas an outsourcing agreement is made between an organisation and an external supplier. The meanings of bookkeeping and SSCs are further elaborated in Chapter 2; however, attention is now turned to further describing the main research purpose and my original motivation for this thesis.

Exploration of bookkeeping in a SSC, and more specifically, its extent of simplification and deskilling, takes centre stage in this thesis. The overriding purpose is to increase our understanding of the still rather under-explored phenomenon of (SSC) bookkeeping. This investigation challenges a widely held perception of simplified bookkeeping in this age of advanced computerisation. By 'simplified', this is meant to denote that today's bookkeeping is, in general, viewed as a tedious, repetitive, and straightforward practice. Indeed, most of the extant literature conveys that this view of simplified bookkeeping has existed for a considerable period of time. In much of the extant works, it appears to be rather taken for granted that contemporary bookkeeping practices are simplified, routinised, and low-skilled – involving more or less mindless or effortless repetitive actions (Bougen, 1994; Cooper & Taylor, 2000; Kirkham & Loft, 1993; Wootton & Kemmerer, 1996).

In the accounting academic literature, bookkeeping is commonly associated with uncomplicated and trivial attributes such as 'routine', 'dull', 'deskilled', and 'unimaginative' (Bougen, 1994; Byrne & Willis, 2005; Cooper & Taylor, 2000; Dimnik & Felton, 2006; Friedman & Lyne, 2001; Jeacle, 2008; Kirkham & Loft, 1993; Wootton & Kemmerer, 1996; Warren & Parker, 2009). Additionally, bookkeeping has been viewed as if it was "menial" (Kirkham & Loft, 1993, p. 549) or a basic labour process (Cooper & Taylor, 2000). Thus, it is not unusual to associate and observe bookkeeping jobs and bookkeepers alongside a lack of respect. Occasionally, academics can also relate the 'beancounter' image specifically to bookkeepers, so as to disassociate other (qualified) accountants from the beancounter stereotype, albeit usually without much supporting empirical evidence (Byrne & Willis, 2005; Dimnik & Felton, 2006; Friedman & Lyne, 2001; Jeacle, 2008). The following epitomises a widely held perception

about the relatively mundane and simplified bookkeeping jobs of the 1990s, as well as the low society-level status that bookkeepers held:

The transformed “bookkeeper” of the 1990s is likely to be a young woman (hence the use of Ms Taylor in the title), working in a repetitive, deskilled job, with relatively low pay and little prospects of promotion (Cooper & Taylor, 2000, p. 574).

Similarly, much of the extant shared services literature conveys SSC bookkeeping as a low-skilled and simplified practice (CGMA, 2012; Seal & Herbert, 2013), e.g.:

[...] since in a standardised environment, individual activities are simpler and learned faster, the level of requirements as regards employees’ skill levels decreases and makes lower-cost labour utilisation possible (Bangemann, 2005, p. 22).

In the shared services model, simplified bookkeeping constitutes a fundamental assumption. According to this literature, simplified bookkeeping refers to where staff in offshore locations, neither possessing ideal entry-level skills nor with a first language of their internal customers, can be easily trained-up to the necessary skill levels (Bangemann, 2005; Cacciaguidi-Fahy et al., 2002; Rothwell et al., 2011; Seal & Herbert, 2013). This assumption, in turn, empowers organisations to rationalise limited staffing budgets for SSCs and to locate them in low-cost, offshore countries.

The basis of this assumption of simplified bookkeeping in SSCs is usually a combination of standardisation and ERP technology. Furthermore, Seal and Herbert (2013) highlighted that a combination of standardisation and ERP systems in the shared services model is an extension of the ‘scientific management’ concept. Scientific management has influenced accountancy since the 1920s, with of both simplifying bookkeeping tasks and generating simplicity in day-to-day operations (Cooper & Taylor, 2000; March & Simon, 1993; Strom, 1987; Taylor, 1911, 1964). In scientific management, tasks are fragmented and specified through standard operating procedures (SOPs). Technology reduces the effort required to perform tasks, e.g., mechanical tools and computerisation. In particular, the implementation of an ERP system is a crucial and assumed feature of the shared services model which, it is argued, enhances transaction-processing (Booth, Matolcsy, & Wieder, 2000; Spathis & Constantinides, 2004).

Operational employees are trained in the relevant SOPs and given guidance by their supervisors. Moreover, employees are usually assigned with a narrow scope of tasks. These features help to limit the need for interpretation and analysis in daily operations, as well as promoting the routinisation of action.

Having established that simplicity is generally anticipated in bookkeeping practice, especially SSC bookkeeping, I will now provide more background to another main motivation of this study which is to investigate the extent of deskilling of SSC bookkeeping. This direction was inspired by my own personal experiences and observations in SSC bookkeeping practices. These personal experiences suggested a markedly different situation to what was widely held in the extant literature, and I was particularly puzzled by Bangemann's (2005) comments (above). I had been a member of the operational team at a bookkeeping SSC in South East Asia, from 2004 to 2009. This SSC is a subsidiary of a multinational airline company whose headquarters are located in Europe. Importantly, this subsidiary company is also my case study organisation.

This case organisation has operated in South East Asia since September 2003, providing bookkeeping services to local business units in Asia-Pacific, the Middle-East and North-East Africa. I joined this SSC as a staff member and worked my way through to a senior officer role, then to the position of trainer. Since joining the SSC in its early phases, being rotated through different bookkeeping processes and holding the roles of both staff member and trainer, I frequently faced challenges in accomplishing operational tasks, and my frequent observation was that many colleagues were facing similar problems. Furthermore, since these day-to-day operational difficulties demanded significant effort from myself and other colleagues, I could not accept that the 'beancounter' image suitably captured the roles of operational employees at the case organisation.

Early empirical fieldwork was influenced by a review of the relevant extant literature as well as exploration of an 'institutional' theoretical framework of management accounting change (Burns & Scapens, 2000). By investigating, in the early stages, the ways in which operational staff learned and performed standardised tasks in day-to-day operations, and guided by the Burns and

Scapens' (2000) framework, preliminary analysis of the case revealed a complexity in relation to this learning process. These initial findings also appeared to question the socially constructed assumption in the shared services model and the widely held perception that bookkeeping practices are more or less 'simplified'.

An important premise of this thesis therefore is that the widely held perception does not necessarily represent social reality (Seal, 2010; Seo & Creed, 2002). In studying the SSC bookkeeping phenomenon in the case organisation and adopting a theoretical framework of accounting change (Burns & Scapens, 2000), the general perception of bookkeeping as a low-skilled and simplified practice is taken to constitute a taken-for-granted assumption, an 'institution'. According to Burns and Scapens (2000, p. 7): "institutions are disassociated from their particular historical circumstances and, as such, they exist only in the actors' understandings and stocks of knowledge and express for them 'the way things are'". In other words, such institutions implicitly shape social actors' reality. Nevertheless, and importantly, it is argued that such institutions do not reflect any absolute truth, nor are they 'given', but rather are socially constructed, and continuously reproduced through the actions and interactions of social actors over time (Barley & Tolbert, 1997; Burns & Scapens, 2000; Hodgson, 2008; Seal, 2010).

So, for this thesis, the notion of simplified bookkeeping, which is widely held in this age of advanced computerisation, is regarded as an institution. But, this bookkeeping institution is not a given, is socially constructed (i.e., being reproduced by actions and interactions over time), and thus can be challenged. It is my intention in this thesis to investigate the extent to which general (institutionalised) perception of bookkeeping reflect actual practices. My focus and my theoretical approach is, I believe, novel and constitutes an extension to existing knowledge in this area.

Having said this, there is a relatively small amount of existing literature to work from; that is, there is scant previous research which questions the extent of simplified bookkeeping and which would therefore provide useful backdrop to the present study. For instance, there have been a small number of studies which

recognise complexities encompassing bookkeeping practices (see Chapter 2 for more detail). Some authors have argued that the extent to which scientific management and accompanying technologies can deskill bookkeeping practices is at best unclear (Strom, 1987), while others have stressed the importance and necessity of interpretation and analysis in bookkeeping, particularly in relation to the (important) sub-task of account coding (Blewett & Jarvis, 1989; Horngren, Sundem, Elliott, & Philbrick, 2014). Furthermore, although there have been some (but not many) positive claims about ERP systems in relation to transaction-processing (Booth et al., 2000), there is sparse evidence of ERPs actually simplifying bookkeeping at the operational level (Scapens & Jazayeri, 2003). Also, past literature is unclear on the levels of efficiency from SSC bookkeeping or the required skill sets of SSC bookkeepers (Cacciaguidi-Fahy et al., 2002; Cecil, 2000; Kris & Fahy, 2003; Malcolm, 1999; Selto & Widener, 2004; Schulman et al., 1999).

The prevalent and contemporary image of bookkeeping as 'tedious' and 'straightforward' is socially 'constructed' and not given. Again, there is some (though not a great deal) of past research which presents useful backdrop for the present study. For instance, some of this extant literature sheds light on the evolution of bookkeeping over time. More specifically, it has been presented how bookkeeping has evolved from a practice constituting prestige and complex jobs, offering high salaries, to practices for the low-skilled, comprising simplified tasks and offering low salaries (Cooper & Taylor, 2000; Kirkham & Loft, 1993; Wootton & Kemmerer, 1996) (see Chapter 2). In particular, the goal of (labour) cost reduction and the separation of record-keeping and transaction-processing activities from (assumed) more value-adding accounting activities, has reinforced the 'poor relative' status of bookkeeping.

The incongruence between a seemingly institutionalised view of simplified bookkeeping in general and personally observed complexities intrigued me as to further investigate the extent to which (particularly) SSC bookkeeping practices can actually and reasonably be referred to as 'simplified', and also the extent to which there has been deskilling of such practices over time.

The aim of the above is to describe in more detail the general background to the thesis, including the main motivation and research purpose. In so doing, there has been also a brief introduction to some of the relevant past literature. The next section is the research design, in particular highlighting the use of an interpretivist case study and adopting an ‘institutional’ theoretical framework as a means to unpack and make sense of the case observations (Humphrey & Scapens, 1996).

1.2 Research design

This section explains how an explanatory case study has been followed in an attempt to better understand the SSC bookkeeping phenomenon – that is, using an interpretivist methodological approach to acquire depth of the phenomenon being studied and an explanatory mode to develop understanding (Yin, 2009). In particular, an interpretivist methodology recognises the social-construction nature of the phenomenon being investigated and emphasises the importance of exploring the ways particular organisational practices interact within the broader (e.g., structural, economic and social) elements (Hopwood, 1976, 1987; Humphrey & Scapens, 1996; Ryan et al., 2002). By following this methodological approach, it is the intention that knowledge and understanding of this important and contemporary phenomenon is extended. The present thesis does not take as given the (socially constructed) assumption of the shared services model and the widely held perception that bookkeeping is simplified. Exploring SSC bookkeeping in the organisational context of the case organisation and making sense of the ways in which SSC bookkeeping was embedded and interacted with the broader organisation (e.g., organisational arrangements and related actors), a more holistic understanding of SSC bookkeeping than is usually presented is reached, and the complexities are highlighted.

As mentioned already, the case organisation is a bookkeeping SSC in South East Asia, where I previously worked. It is a subsidiary of a well-known multinational airline company whose headquarters are in Europe. Having three bookkeeping units in total, this subsidiary provides bookkeeping services to the parent company and two other airline subsidiaries. Anonymity was requested by the Managing Director, who granted the access, so hereafter the case organisation

will be referred to as 'SkyHub', and its bookkeeping units will be called 'Galaxy', 'Comet', and 'Meteor' (see Appendix 2 for an organisational chart). Galaxy was the main and mature operational unit (chosen as a primary empirical analysis; see Chapter 5 for more discussion), providing bookkeeping services to local business units of the parent company, whereas Comet and Meteor were relatively minor and new operational units, responsible for transactions of the newly acquired airlines (having much smaller size of operations). This particular SSC was selected as a case study because, in addition to excellent research access, it resembles many of characteristics in the adopted definition of an SSC, including an offshore location, a limited staffing budget, and a high level of standardisation in the main operational unit (Gospel & Sako, 2010; Herbert & Seal, 2012; Sako, 2006). Moreover, I was able to draw on my own knowledge and experience gained from previously working at this organisation over years as both a bookkeeper and a trainer.

Data collection was undertaken in the case organisation during the first two months of 2012. The main data collection method was semi-structured interviews, taking-in thirty-five interviews from all levels, units and functions of the organisation (see Appendices 1 and 2 for more details). A presentation of the (preliminarily interpreted) empirical evidence was also made to the Managing Director of the case SSC, which served as a useful means of validation. My past experience at the case organisation inevitably influenced the research process to an extent, in particular the research motivation and purpose. However, care was taken to maintain a research independence from the various subjects. The analysis and interpretation of the case study developed from use of an 'institutional' theoretical framework (Burns & Scapens, 2000); and the evidence per se was gathered from a variety of overlapping methods – i.e., interviews, review of corporate documents, informal chats with staff, and observations. Cross-checking and data triangulation minimise bias in the analysis, although it is acknowledged that bias cannot be completely eradicated from case study research (Humphrey & Scapens, 1996): "There can be no such thing as an 'objective' case study" (Ryan et al., 2002, p. 159).

As stated above, an institutional theoretical framework informs interpretation of the case study. This theoretical perspective influenced both the research design

and the analysis of the case. The institutional framework was chosen for the present study in particular because its key theoretical concepts – e.g., the intermingling of institutions, rules, routines, and actions, over time – appeared strongly aligned to the motivation, purpose, and early-formed impressions of the case study. Moreover, the adopted theoretical framework also incorporates Giddens' concept of the 'duality of structure' (Giddens, 1984), which holds that the embeddedness of organisational practices is not given, but rather socially constructed by knowledgeable actors. Thus, the adopted theoretical framework of Burns and Scapens (2000) assists development of a holistic understanding of the ways through which SSC bookkeeping practices became institutionalised in the case organisation and wider dynamics such as the extent to which SSC bookkeeping was simplified and deskilled.

The theoretical lens of Burns and Scapens (2000) helps to conceptualise the socially constructed assumption of simplified bookkeeping in a shared services model, an institutionalised practice. Grounded on old institutional economics (OIE), the framework is fundamentally an intra-organisational theoretical lens. However, this thesis also intends to connect its empirical findings to 'outside' of the case and, in particular, the widely held perception of simplified bookkeeping. In order to do so, the present thesis also draws upon new institutional sociology (NIS) theory (DiMaggio & Powell, 1991; Meyer & Rowan, 1977; Scott, 2001), which is an institutional perspective on organisations that traditionally has focused more on institutions at a wider (i.e., society or field) level (Scapens, 2006). There is more discussion of the adopted theory(s) in Chapter 4. Nevertheless, it should be stated at this early stage that it is not an intention of this thesis to try to integrate the respective 'OIE' and 'NIS' institutional frameworks.

Returning to the OIE-grounded framework of Burns and Scapens (2000), this has particular concepts such as the 'enactment' and 'reproduction' of organisational rules and routines, which are especially helpful in the undertaking of the present research. In Burns and Scapens (2000, p. 6), rules are defined as: "the formally recognized way in which 'things should be done'", whereas routines are defined as "the way in which 'things are actually done'". Extended a little further, however, in this thesis it is also assumed that routines constitute a 'propensity to act' rather

than action per se (Burns, 2009; see Chapter 4 for more detail). By drawing on numerous key concepts in the Burns and Scapens' (2000) framework, the following explored (for example) how bookkeeping standard operating procedures (SOPs) were akin to rules, and how routines were 'enacted' and 'reproduced' over time, even in a case organisation with high staff turnover, a common characteristic of SSCs (Cacciaguidi-Fahy et al., 2002). In SSCs, SOPs or task performance rules, are key factors in generating simplicity in bookkeeping. It is generally anticipated that employees 'just follow' the SOPs and engage with only minimal judgment and interpretation; i.e., rather mindless and effortless repetition of actions. Thus, the thesis investigates how simple (or difficult) it was for operational staff to (re-)enact these SOPs and routines over time, especially in light of the usual high staff turnover. In addition, the thesis is also in a position to assess the extent to which there was a deskilling of SSC bookkeeping practices. The next section will summarise some of the key findings from the case.

1.3 Empirical findings

The primary empirical analysis in this thesis is of the main and mature operational unit in SkyHub – that is, Galaxy – a unit that resembles several of the expected or 'normal' features of an SSC, e.g., a strong performance orientation, a high degree of standardisation in organisational procedures, and high staff turnover (see Chapter 5). The investigation reveals a great deal about the dynamics of day-to-day SSC bookkeeping, which, in turn, presents valuable insights into the simplicity (or not) and deskilling (or not) of SSC bookkeeping. When the empirical investigation began (but also reinforced by my own past work's experiences), it was apparent that this main and mature operational unit had extensive standardised bookkeeping tasks and sources of knowledge for staff, through (e.g.) training, manuals, and an archival database. However, there were recurring-operational mistakes and delays occurring in day-to-day bookkeeping practice, and inexperienced staff frequently relied on the advice of more experienced colleagues to accomplish standardised tasks – i.e., the 'ask culture' (see Chapter 6 for further discussion). New employees in SSC bookkeeping usually took around three to five months before they could more or less work independently. Quite early on in the investigation, therefore, it was quite apparent

that standardisation of bookkeeping practices and the adoption of ERP technology did not guarantee for SSC bookkeeping to be low-skilled and simple activity, nor for the acquisition of tacit knowledge and routinisation of action to be simple processes (March & Simon, 1993; Strom, 1987).

The analysis of SSC bookkeeping, focusing on the main and mature operational unit therefore, exposes the complex dimensions of this organisational practice: the combination of both 'mindful' and technically-oriented tasks, and the requirement also for bookkeepers' use of judgment and interpretation (Feldman & Pentland, 2003). The investigation reveals that to perform standardised bookkeeping tasks effectively, there are *multiple* aspects of SSC bookkeeping which staff need to comprehend and continuously take into account – e.g., the concepts of tasks, SOPs, and related actors, double-entry bookkeeping techniques and the ERP system, and the varying nature of different transactions.

The case study demonstrates that in a bookkeeping SSC, the acquisition of tacit knowledge and routinisation of action are complex and influenced by the designed organisational features (e.g., fragmented tasks, SOPs, trainings, manuals, and ERP technology), social interactions (e.g., coaching, asking colleagues, and coordination) and the repetition of actions over time (Feldman & Rafaeli, 2002; Giddens, 1979; Hodgson, 2003; Pentland & Feldman, 2008). New and inexperienced staff at the case organisation could not instantly learn routinised and standardised bookkeeping tasks, or independently. Indeed, the organisational designs (above) did not create immediate understanding; this investigation affirms that associated tacit knowledge cannot 'simply' be installed. Rather, employees had to develop mutual understandings of multiple aspects of SSC bookkeeping as well as acquire tacit knowledge and routine actions, through the ongoing repetition of actions and interactions over time (Feldman & Rafaeli, 2002; Pentland & Feldman, 2008).

The case study reveals that SSC bookkeepers are not 'dull clerks', contrary to much extant literature ((Byrne & Willis, 2005; Dimnik & Felton, 2006; Friedman & Lyne, 2001; Jeacle, 2008). The evidence suggests that bookkeeping staff were mindful, active, adaptive, and socialised. They had to be mindful when undertaking bookkeeping tasks because such tasks could be quite complex.

When learning tasks, new bookkeeping staff needed to put in considerable effort to acquire the necessary knowledge, using relevant artefacts (e.g., manuals and the archival database) and social interactions (e.g., asking experienced staff and coordination). Once more experienced and having developed their stock of knowledge (i.e., knowledgeable agents), these bookkeepers then helped to maintain an ongoingness of day-to-day operations (Giddens, 1984; Macintosh & Scapens, 1990). Indeed, more experienced staff played a significant role in the continuity of day-to-day bookkeeping practices because they were able to offer both technical and tacit knowledge to less experienced colleagues as well as pick up any emerging slack in 'specific' time and space.

Contrary to the assumption of simplification in most of the extant literature on bookkeeping, the case in this study entailed numerous tensions and problems such as recurring-operational errors, delays, a necessity for staff to work longer than their contracted hours, and resignation which could result directly from such issues. Making this situation worse still was the fact that SSC bookkeeping represents a relationship between the SSC and its client. Thus, establishing agreed service levels and performance targets becomes a critical part of the SSC environment.

Continuity of day-to-day SSC bookkeeping practices was largely dependent on both organisational features (e.g., SOPs and ERP technology) and the experiences of staff. So, although the case study shows that standardisation and ERP technology do not necessarily simplify and deskill SSC bookkeeping practices, they can play a significant role in the maintenance of their day-to-day reproduction. The empirical evidence gathered for this thesis reveals that standardisation and ERP technology both enabled rote learning amongst the bookkeeping staff. Moreover, since these tasks were fairly standardised across the various units, experienced employees were able to use their technical and tacit knowledge in order to coach new staff, across a broad spectrum.

Apart from a brief overview of all the remaining chapters in the next section (1.4) below, this almost brings the introductory chapter to a close. In this chapter I have attempted, first and foremost, to make more explicit both the motivation and purpose for this research. In a nutshell, this thesis aims to offer a significantly

different perspective on bookkeeping practices from the conventional wisdom. The main arguments are that bookkeeping should not be assumed as a low-skilled and simple practice, and that there is an incongruence between the widely held perception of simplified bookkeeping and the actual complex nature of (in particular, SSC) bookkeeping practices. As routinised and standardised SSC bookkeeping tasks can be, performing those tasks can still demand sense-making, drawing on tacit knowledge and more.

The following thesis also sets out to extend our understanding of organisational routines. The case study will present insights into the interdependence of different routines and the importance of knowledgeable agents in the reproduction of routines (d'Adderio, Feldman, Lazaric, & Pentland, 2012). In turn, this adds to our knowledge of continuity of routines in an organisational setting, in particular where there is a high employee turnover (Cohen, 2007). Finally, this thesis also claims to make a modest contribution towards further development of the Burns and Scapens (2000) institutionalist framework. First, to extend the 'use' of Burns and Scapens (2000), the following attempts to develop the connection between this theoretical framework to institutional realms outside of an organisation, i.e., institutions at the macro level. Second, this thesis proposes extension to Burns and Scapens' (2000) notion of rules and routines 'enactment'. More specifically, it is highlighted that, where inexperienced actors are concerned, the process of rules and routines enactment tends to involve conscious choice, influenced both by artefacts and social interactions.

1.4 Chapter outlines

This concluding section of the chapter provides a brief overview of all the remaining chapters, a further seven chapters in total.

Chapter 2 is the literature review, in particular focusing on bookkeeping and shared services literatures. Amongst other things, this chapter reveals how bookkeeping is generally perceived in this age of advanced computerisation and highlights a widespread assumption of 'simplified' bookkeeping. Chapter 2 also describes the transition of bookkeeping over three stages, illustrating its social construction and how/why contemporary bookkeeping constitutes what it does

today – i.e., a seemingly low-skilled and simplified practice. The next chapter also discusses the relatively small amount of literature which does actually argue for there being greater complexity in bookkeeping practices than conventional wisdom would have us think.

The research design is covered in **Chapter 3**, including explanation for the adoption of an interpretivist case study approach in the thesis. It establishes why and how an interpretivist research approach is appropriate for development of our understanding of SSC bookkeeping. This chapter also sets out important philosophical assumptions underlying the thesis and the adopted research method.

Chapter 4 describes the old institutional economics (OIE) theoretical framework of Burns and Scapens (2000), which is used as an interpretivist lens in this thesis. It covers the origins of this approach and its key concepts – including the interrelationship of institutions, rules, routines, and actions. A connection is made between the ‘rules’ aspect of this framework and SOPs, which are task performance rules in SSCs. Further elaboration of the adopted definition of routines as propensity to act is provided as well. In particular, Chapter 4 also discusses some of the key elements of new institutional sociology (NIS) theory which, it is proposed, can extend the theorisation in this thesis to extra-organisational (e.g., field and society) levels (Dillard, Rigsby, & Goodman, 2004). To reinforce, however, what has already been said (above), it is not an intention of this thesis to try to integrate the respective lens of OIE with NIS theoretical approaches.

In **Chapter 5**, an overview of background to the case organisation is provided – highlighting some of the main characteristics of SSCs such as standardisation in practice, underpinned by (e.g.) SOPs, trainings, how-to-do manuals, and ERP technology. A limited staffing budget is another common feature which, in turn, had an impact on dynamics in the case organisation. Finally, Chapter 5 highlights the importance of performance measurement in the case as well as staff performance.

Chapter 6 presents the theoretically-informed analysis of the empirical evidence, using the institutional framework described in Chapter 4. Several aspects are covered, including an assumption of simplified bookkeeping in the case organisation, an extensive use of SOPs, and multiple routines in connection with compliance. Then, the complexity of bookkeeping tasks in the case organisation is discussed, including data entry, technical know-how, and the interconnectedness of different tasks and related actors. Then, analysing the (re-)enactment of SOPs and routines by both experienced and inexperienced employees, the chapter demonstrates some of the interesting dynamics unfolding in the case, such as employee tensions, learning processes, and the emergence of an 'ask culture' which helped to maintain bookkeeping routines.

Next, **Chapter 7** discusses the overall findings of the case study, relating them to the extant literatures on bookkeeping and shared services. This chapter also proposes some contributions to Burns and Scapens's (2000) institutional theoretical framework and makes explicit the new knowledge that is gained specifically in relation to the theorisation of organisational routines. Also, implications for practitioners are elaborated.

Finally, **Chapter 8** presents some concluding remarks. It briefly summarises the main findings of the thesis and also highlights the limitations. Areas for future research are also considered in this closing chapter.

CHAPTER 2 LITERATURE REVIEW

This chapter reviews the literatures on bookkeeping and shared services to extend the platform for investigating the extent of simplification and deskilling of SSC bookkeeping. The review aims to demonstrate that there is uncertainty over the extent of such things in recent times, especially in relation to SSCs. On one hand, the extant literature in the fields of accounting and shared services generally convey bookkeeping in this age of advanced computerisation, as a relatively low-skilled and simplified practice. On the other hand, there is at least some prior literature which raises concerns over the general and more common view that bookkeeping is practised in a mundane and uncomplicated fashion. Also, detailed empirical evidence of the simplicity of bookkeeping practice is actually quite scarce; indeed, the more prevalent view of simplified bookkeeping would appear to be somewhat 'black boxed'. Moreover, such scarcity of convincing evidence in this regard would appear to question the validity of the socially constructed assumption in the shared services model and the widely held perception that bookkeeping practices are low-skilled, simplified features of organisations.

This chapter starts from a premise that bookkeeping is socially constructed, by which its meaning, its execution, and perceptions are not given but socially created; and which, furthermore, can change over time. Contemporary bookkeeping, associated mostly with record-keeping and transaction-processing functions, has evolved through time. This chapter highlights why and how its change over time has been socially constructed, underpinned to a large extent by cost reduction aims as well as organisational leaders choosing to detach seemingly 'uncomplicated' recording-keeping and transaction-processing activities from (perceived) more strategic and value-adding accounting activities. Importantly, by recognising the social construction of bookkeeping practices, it becomes more possible to challenge the assumption in the shared services model and the widely held perception that bookkeeping in this age of advanced computerisation is simplified.

The remainder of this chapter is structured into three sections. First, section 2.1 explores the literature on bookkeeping, investigating what contemporary

bookkeeping is (believed to be) comprised of and shedding some light on the widely held perception of simplified bookkeeping. Also, the transition of bookkeeping over time is described, with a view to further explaining how bookkeeping has become a generally-perceived low-skilled and straightforward organisational practice. And, finally, evidence is presented from a small area of literature which indicates more complexity in bookkeeping practices than is usually told. Next, section 2.2 covers SSC bookkeeping. An overview of the concepts of the shared services model and SSCs is presented. Such background is necessary to enhance understanding of the SSC bookkeeping phenomenon because it appears that the characteristics of the shared services model and SSCs are not widely acknowledged. Finally, section 2.3 reflects upon the foregoing literature review in this chapter to form a basis for exploring the extent of simplified SSC bookkeeping and deskilling.

2.1 Bookkeeping

The purpose of this section is to demonstrate that in this age of advanced computerisation, it is widely perceived that bookkeeping is more or less a mundane, uncomplicated phenomenon. A claim is made that such prevailing assumption does necessarily represent the entirety of bookkeeping in practice. This section is divided into three sub-sections as follows. Section 2.1.1 discusses and defines the contemporary meaning of bookkeeping and the widely held perception of simplified bookkeeping . Next, section 2.1.2 presents the transition of bookkeeping over time, to help appreciate how bookkeeping has become a seemingly low-skilled and simplified process and particularly to illuminate its social construction. This is followed by section 2.1.3 that offers evidence from the extant literature which indicates a degree of complexity actually encompassing bookkeeping practices.

2.1.1 Perception of simplified bookkeeping

This section illustrates that there is a widely held perception of simplified bookkeeping. In the following, the meaning of bookkeeping is firstly described. It is important to be clear about this because 'bookkeeping' potentially has different meanings over time and space. Then, there is evidence from the literature which

indicates the prevailing notion of simplified bookkeeping and highlights that today's bookkeeping is generally perceived as a mundane, uncomplicated phenomenon.

Drawing on the accounting literature, the conventional view on bookkeeping is an association with the record-keeping and transaction-processing functions in the world of accountancy (Bougen, 1994; Cooper & Taylor, 2000; Kirkham & Loft, 1993; Strom, 1987; Wootton & Kemmerer, 1996). This view widely acknowledges that the core of bookkeeping is to keep records of financial transactions. Each financial transaction is expected to be recorded on relevant ledger accounts in the general ledger of an organisation. According to Morrison (1808, p. 1, cited in Wootton & Kemmerer, 1996, p. 542), bookkeeping is “the art of recording the transactions in trade, in such a manner as to exhibit a distinct view of the state of the owner's affairs”. Similar to this, Fulton and Eastman (1851, p. 5, cited in Wootton & Kemmerer, 1996, pp. 542-543) proposed an early-form definition of bookkeeping as: “a mercantile term, used to denote the method of keeping accounts of all kinds, in such a manner that a person may at any time know the true state of his affairs”. In addition to the recording-keeping activities of bookkeeping, bookkeepers or bookkeeping clerks usually also process financial transactions – e.g., payments, payrolls, and issuing debit notes and credit notes. Even though the accounting literature recognises today's bookkeeping as being associated with keeping records and processing transactions, it is important to note that the meaning of bookkeeping is socially constructed (Kirkham & Loft, 1993). This social construction of the term ‘bookkeeping’ exposes that its meaning is not a given and can thus be different at any specific time and space (Ryan et al., 2002; Seal, 2010).

Indeed, the term ‘bookkeeping’ is not always strictly associated with the record-keeping and transaction-processing functions. For instance, in the period before the late 19th century, the scope of bookkeeping usually included the entire financial cycle and business tasks. In those days, the terms ‘bookkeeping’ and ‘accounting’ were conflated within public and academia (Wootton & Kemmerer, 1996). The transition of bookkeeping through time, which will shed more light on its social construction, will be elaborated in the next section. Furthermore, the meaning of today's bookkeeping, which associates with the record-keeping and

transaction-processing functions, is rather applied to corporations. Whereas, in ownership and partnership companies, with smaller scale transactions, bookkeeping tends to cover a wider scope of tasks than merely keeping records and processing transactions (Cooper & Taylor, 2000). As the present research examines practices in a large organisation, the term 'bookkeeping' is generally taken to relate to the record-keeping and transaction-processing functions.

In accounting research, it is generally viewed that bookkeeping involves *recurring* transactions, which subsequently constitutes *repetitive* activities, and not requiring significant judgment and interpretation (Bougen, 1994; Cooper & Taylor, 2000; Kirkham & Loft, 1993; Strom, 1987; Wootton & Kemmerer, 1996). Moreover, bookkeeping is seen as being a non-valued-adding, non-core, and non-strategic dimension of accounting practices (Bangemann, 2005; Bougen, 1994; Cacciaguidi-Fahy et al., 2002; May, 1943). It is probably reasonable to suggest that in most extant accounting research, bookkeeping is viewed as being detached from the value-adding, core, and strategic accounting practices. Moreover, bookkeepers are generally seen as being deskilled workers, who receive low salaries and do not usually gain any noteworthy social respectability:

[...] an accountant and a bookkeeper may appear self-evident in most contemporary Western society. In particular, in Britain and the U.S.A., accountants claim a separate occupational sphere within society and are differentiated from bookkeepers on a number of levels including skill, social status, rewards, influence and power. *This difference is treated as so fundamental that it is rarely commented upon* (Kirkham & Loft, 1993, p. 507, *emphasis added*).

In spite of this seemingly trivial image of bookkeeping in accounting research, it is worth keeping in mind that the record-keeping function which is a major part of today's bookkeeping role has also traditionally been the *essence* of accounting. It can be traced back to an ancient time (i.e., the age of Mesopotamia) that bookkeeping in the form of written records was used to keep track of assets as well as to control those people who looked after such assets (Lewis & Firth, 1977; Sidebotham, 1970). Carey (1969) addressed that it is accounting which has grown out of bookkeeping. Through the passage of time, the scope of accounting theory and practices has become wider than merely the maintenance of records and transaction-processing, driven by the increasing demands of users of information managers in the complex business world (Carruthers & Espeland,

1991). Industrialisation in the late 19th century has created the complex business world; the size of businesses was expanded as well as a new form of business, specifically corporation, was established. As a consequence, while still nevertheless underpinning the keeping of records and processing transactions, accounting aims at providing both financial and non-financial information for decision-making to both internal users of information in organisations (e.g., controlling, coordinating, evaluating, and planning) and external users of information (e.g., investing and lending): “The ultimate purpose of the accountant’s work is to give people better information on which to base their decisions” (McLaney & Astrill, 2008, p. 2). The constituents of accounting practices, which have been developed over time to serve such purposes, include (e.g.) financial reporting, budgeting, costing, and performance measurement. Such practices are complex and considered generally to be value-adding, core, strategic activities of accounting – in contrast to the widely held view of bookkeeping.

As developed already in the thesis, academics have over the years suggested a relatively tedious, low-skilled, straightforward practice of bookkeeping in this age of advanced computerisation, as reflected in the following arguments. According to Wootton and Kemmerer (1996, p. 582), “Once on the job, the bookkeeper was not expected to make decisions involving reasoning or analysis”. Dimnik and Felton (2006, p. 153) referred to bookkeeping as: “boring and dead-end jobs”; and, in the same vein, Carruthers and Espeland (1991, p. 31) argued that a possible reason for bookkeeping being less attractive to researchers in sociology is that it is: “not a subject that quickens the pulse”. Similarly, Bougen (1994, p. 321) viewed bookkeeping as merely: “routine recording”, while Cooper and Taylor (2000) even predicted that tomorrow’s bookkeeping may be so simple that no effort is required in bookkeeping, and that bookkeepers may simply become computer operators.

Today’s bookkeeping seems to be positioned at the bottom of the accountancy ladder. For instance, Kirkham and Loft (1993, p. 549) treated bookkeeping as if it was “menial”. Similarly, Herbert and Seal (2012, p. 90) referred to bookkeeping as “low level accounting services”. For some authors, bookkeeping is even to be excluded from the accounting profession (Mathews, 2001): “Does this de-skilled

sector even constitute part of “accounting profession”? Mathews seemingly argues no” (Baker, 2001, p. 403). Based on the above observations, it would appear that a perception of simplified bookkeeping prevails in academia. And, the routinised characteristic of bookkeeping would, in particular, give a sense of simplicity: “It is extremely easy to fall into assuming that routines are rigid in their execution, that they are mundane in content, that they are isolated from thought and feeling” (Cohen, 2007, p. 3).

Nevertheless, even though accounting researchers tend to distinguish bookkeeping from mainstream accounting, the conflation of both terms also seems quite common at a wider level. As previously mentioned, the term ‘bookkeeping’ is not restricted to merely the record-keeping and transaction-processing functions in different spaces. Moreover, both functions are not always strictly designated as bookkeeping. For instance, in one textbook, the term ‘accounting’ is used to describe the record-keeping function: “the analysis of transactions is the heart of accounting” (Horngren et al., 2014, p. 11).

Furthermore, the perception of simplified bookkeeping is not restricted merely to academia but also permeates organisational fields. It particularly reflects through the widely adopted concept of ‘offshoring of bookkeeping activities’, the notions of shared services and outsourcing (otherwise known as business process outsourcing (BPO)) among large multinational companies over the last two decades. According to Sako (2006, p. 503), “Offshoring occurs when firms move productive activities overseas, whether they are conducted by separately owned suppliers or by fully owned (captive) subsidiaries”. Offshoring has recently been a trend for managing bookkeeping activities, whereby these activities are transferred to processing centres in offshore locations, using the models of shared services or outsourcing (Gospel & Sako, 2010; Herbert & Seal, 2012; Sako, 2006). Cost reduction, particularly global labour arbitrage, is usually the main driver for the adoption of both alternatives.

Offshoring of bookkeeping with the concepts of shared services and outsourcing has similar characteristics: (e.g.) the establishment of centres in lower-cost countries, consolidation of bookkeeping activities into such centres, standardisation, implementation of ERP technology, creation of a service level

agreement between service customers and providers, and a wide span of control. The main distinction between both models is that the shared services are an internal arrangement, whereas the outsourcing concerns the third party; thus, the choice of shared services and outsourcing is based on firm strategies. Further details of shared services in bookkeeping are provided in section 2.2.

It is a cornerstone of both models that bookkeeping is generally seen as a low-skilled and simplified practice. The common perception is that the concepts of shared services and outsourcing can free professional accountants in local business units from non-valued-adding, non-core, and non-strategic accounting activities; and, subsequently, these people can concentrate with more strategic roles. According to Sako (2006, p. 507):

Similarly in F&A, transactional processes such as general accounting and accounts payable are typically subjected to standardization, consolidation, and offshoring. But financial strategy and accounting policy and control are never outsourced, and are the responsibility of the client firm's Chief Finance Officer (CFO) and 'business partners' in the finance function.

Indeed, one of the popularly cited reasons for employing shared services and outsourcing is to promote the business partnering role of professional accountants in local business units. This notion of 'business partnering' sets out to release valuable accounting experts from mundane bookkeeping tasks (ACCA, 2012; Cacciaguidi-Fahy et al., 2002; Herbert & Seal, 2012; Malcolm, 1999; McIvor et al., 2011; Schulman et al., 1999; Seal & Herbert, 2013). Promotion of the business partnering role of professional accountants usually receives more attention in the field of management accounting (Burns & Baldvinsdottir, 2005; Malcolm, 1999). In the shared services model, "the main priority for most firms is to take the routine transaction processing away from individual country controllers and allow them to focus on the value added activities of supporting the internal business units in their individual countries" (Cacciaguidi-Fahy et al., 2002, p. 106). In the outsourcing model, "arguments in favor of outsourcing can be broken down to five areas: concentration on core business development by firms, cost control, access to state of the art technology, market discipline through greater transparency, and added flexibility to respond to demand changes" (Clot, 2004, p. 159).

Such ideas of detaching bookkeeping practices from the professional accountants implies that such (perceived) low-skilled, simplified activities are to be physically taken away from accounting experts. In particular, with offshoring, it means that bookkeeping tasks are not complicated until foreign staff are able to perform. Therefore, based on these observations and evidence, it seems reasonable to suggest that there is the widely held perception of simplified bookkeeping across organisational fields. A telling overall summary, drawn from a study of SSCs, would be when a professional accountant claimed that bookkeeping was: “accounting factory bits, not the interesting bits” (Herbert & Seal, 2012, p. 90).

In addition to the above, there has also been a shift in recent academic works to try to release accountants from their ‘beancounter’ image by further emphasising the simplified nature of bookkeeping. For instance, according to several survey and media-based studies (i.e., movies, newspapers, and magazines), there is claimed to be a persistence amongst the general public of the beancounter stereotype of accountants (Byrne & Willis, 2005; Dimnik & Felton, 2006; Friedman & Lyne, 2001; Jeacle, 2008). Friedman and Lyne (2001, p. 424) argued that the beancounter stereotype refers to “boring, joyless, single-minded and dull” characteristics. Some scholars have suggested that the beancounter stereotype of accountants continues to prevail; and that the general public does not usually acknowledge the variety of challenging tasks within accounting but rather continues to hold on to the traditional view bedded mainly in record-keeping (Bougen, 1994; Jeacle, 2008; Warren & Parker, 2009).

There are examples of where commentators have related the beancounter stereotype to bookkeepers. For instance, according to Bougen (1994, p. 323), “Recognition of the potentially functional aspects of the bookkeeper-bookkeeping characteristics for the accountant stereotype raises a number of important issues”. In the same vein, Dimnik and Felton (2006, p. 153) stated that: “Our findings are consistent with Bougen’s (1994) suggestion that the complexity of the accountants’ image derives from the interdependency between accounting and bookkeeping”. Also, according to Jeacle (2008):

Yet somehow the public persona of doctor and lawyer has managed to rise above the tiresome toil of hours of concentrated cramming, whereas the

accountant can never quite fully shake off the shroud of the bespectacled bookkeeper. Whatever the rationale for its existence, it appears that the stereotypical role of the accountant is firmly ensconced within the public conscious (p. 1297).

The way that many accounting scholars handle the beancounter stereotype of the profession reflects the rather taken for grantedness of bookkeepers, in particular, being responsible for boring, low-skilled, uncomplicated and straightforward tasks. If these authors are correct that the public's opinion of the beancounter is more or less associated with bookkeepers, the persistence of the beancounter stereotype in public suggests that the perception of simplified bookkeeping has been widely held.

The above sub-section has elaborated on the meaning of bookkeeping and has demonstrated the prevailing notion of simplified bookkeeping in academia, organisational fields, and public. However, it is important to recognise that such perception is not a given, but rather socially constructed and continually reproduced by actions and interactions of social actors through time (Barley & Tolbert, 1997; Burns & Scapens, 2000; Hodgson, 2008; Seal, 2010). Such recognition is important to provide grounding to challenge the widely held perception of simplified bookkeeping. In the next section, the transition of bookkeeping through time will be discussed, to help appreciate how bookkeeping has arrived at its seemingly mundane, uncomplicated status and to further illuminate the social constructed nature of the bookkeeping concept.

2.1.2 Transition of bookkeeping

The previous section has demonstrated the prevalence of a view of simplified bookkeeping. Moreover, it has addressed the meaning of bookkeeping, which is associated with the record-keeping and transaction-processing functions in accountancy; as well as reinforcing an argument that the widely held perception of simplified bookkeeping is not a given, but socially constructed and continually reproduced through time. By drawing on extant literature, particularly that which demonstrates evolution of the bookkeeping practice over time, it can be shown that bookkeeping has transited through the three stages over time (Cooper & Taylor, 2000; Kirkham & Loft, 1993; Strom, 1987; Wootton & Kemmerer, 1996).

This section elaborates on such transition of bookkeeping over the three stages, with the main purpose being to enhance our understanding of how bookkeeping comes to be generally perceived as a low-skilled and simplified practice, while also illuminating the social construction at play. In brief, through time bookkeeping has shifted from constituting prestige and complex jobs, offering high salaries, to mundane and simple jobs, offering low remuneration. Such transformation has been socially constructed, continuously underpinned by aims for cost reduction and the detachment of recording-keeping and transaction-processing activities from (perceived) more strategic and value-adding accounting activities. It should be stated that the following is a fairly descriptive account of the transition of bookkeeping over time, which nevertheless provides useful backdrop from which the thesis can later explore the nature (and change) of bookkeeping practices in the case study. It is, however, beyond the scope of the present thesis to investigate in-depth the emergence of the perception of simplified bookkeeping or the process of (re-)construction, since the development of such understanding would require deep and largely archival investigation (if indeed sufficient data exists) (Barley & Tolbert, 1997).

Stage One

Prior to the late 19th century, bookkeeping constituted a rather complex phenomenon, since its scope usually included the entire financial cycle and other business tasks, e.g., record-keeping, transaction-processing, preparing financial statements, and business analysis (Cooper & Taylor, 2000; Kirkham & Loft, 1993; Thane, 1992; Wootton & Kemmerer, 1996). Moreover, such tasks were all carried out manually. The scale of transactions in organisations (which were usually in forms of ownership and partnership) in those days was small; thus, bookkeepers were able to handle such a wide scope of tasks (Wootton & Kemmerer, 1996). In this period, there seemed to be no sharp distinction between bookkeeping and accounting. According to Wootton and Kemmerer (1996, p. 542), "Prior to the late 1800s, the terms bookkeeping and accounting were often interchangeable". The study of Kirkham and Loft (1993) also presented that bookkeepers and accountants were classified under the same category in the UK census of 1871. Similarly, in the study of Wootton and Kemmerer (1996), it clearly

shows that the USA census of 1870 did not make a separation between bookkeepers and accountants.

During this period, the image of bookkeepers was thus that they had multiple skills in both financial and business affairs:

Clerks were seen to require qualities which would enable them to endure arduous conditions, master the skills of numeracy and literacy, become involved with business and financial matters and merit the prospect of advancement in employment (Kirkham & Loft, 1993, p. 516).

As a consequence, and in contrast to today's bookkeeping, bookkeeping jobs before the late 19th century were generally viewed as being a respectable vocation, offering good pay and moving in the right direction 'up the career ladder':

Clerks of the mid 19th century were the predecessors of modern middle management rather than the army of clerks found in the modern workplace. Indeed, the sons of wealthy merchants during this period sometimes became clerical apprentices, in order to obtain a commercial grounding, before they became managers (Cooper & Taylor, 2000, p. 561).

Most bookkeepers were also male; indeed, the image of bookkeeping jobs constituting jobs-for-men was successfully constructed around this time (Cooper & Taylor, 2000; Kirkham & Loft, 1993; Wootton & Kemmerer, 1996).

Stage Two

In stage two, around the 1920s to 1970s, the meaning of bookkeeping was socially reconstructed; bookkeeping was seen as a deskilled practice. It is argued that by 1930, the scope of bookkeeping became limited to record-keeping and transaction-processing activities, and the new emergent bookkeeping jobs offered lower pay (Kirkham & Loft, 1993; Loft, 1992; Strom, 1987; Wootton & Kemmerer, 1996). Drawing from extant literature, it would seem that such transition in the bookkeeping phenomenon was socially reconstructed, underpinned to a large extent by aims of cost reduction and the 'professionalisation' of accounting.

Professionalisation of accounting

With industrialisation of the late 19th century, the number of jobs in accountancy had significantly increased, largely in response to the expansion of accountancy-like activities and an overall expanded volume of transactions. With a larger body of accountancy, the professionalisation of accounting aimed at promoting a privileged status of accounting jobs; their scope included functions which required a substantial degree of judgment and analysis, a trained skill set (Kirkham & Loft, 1993; Wootton & Kemmerer, 1996). In professionalising accounting, while the discourse of 'professionalised accounting' was constituted, the meaning of bookkeeping became socially *re-constructed* as an element of the accounting field, basically to including record-keeping and transaction-processing. These activities were perceived as being non-strategic, non-value-adding, non-core, and not requiring any considerable degree of interpretation or analysis. This social reconstruction of bookkeeping during the 1920s was a necessary development in the professionalisation of accounting, as it detached the seemingly mundane and uncomplicated activities from accountants:

Professionalisation is an important means by which an occupational group might establish its difference and superiority from a related occupational group, and the concept of difference is an important part of the discourse of professionalism [...] Similarly, we will argue that the professional accountant came to be constituted as something that is not a bookkeeper or a clerk and that discursive constructs such as bookkeeping were deployed by the early professional accountancy bodies as a means of dissociating parts of clerical practice from the meaning of accounting (Kirkham & Loft, 1993, p. 508).

The professionalisation of accounting was more or less reached by 1930. Kirkham and Loft (1993) showed that in the UK census of 1921 and 1930, respectively, bookkeepers were separated from accountants and, rather significantly, were assigned to a lower social class than accountants. Similarly, Wootton and Kemerer (1996) claimed that in the US census of 1930, 'bookkeepers' were also separated from 'accountants'.

Since the late 19th and early 20th centuries, employers usually hired women for the 'new' bookkeeping positions, since (it was generally held) women tended to accept lower salaries (Strom, 1987). The number of men was not sufficient to completely fill the increasing available positions within accountancy; as a

consequence, women began to become more accepted in accountancy. It has been argued that the professionalisation of accounting was also connected to genderisation within accountancy; men had been relatively successful in prohibiting women from gaining accounting occupations, claiming that women did not have the necessary qualifications for an accounting job (Hopwood, 1987; Kirkham & Loft, 1993; Roberts & Coutts, 1992): "Women were adept at recording transactions (bookkeeping), but their "makeup" prevented them from analysing these transactions (accounting)" (Wootton & Kemmerer, 1996, p. 583). Thus, around this period, accounting jobs were still in general likely to be viewed as the job of a man, offering high salary; whereas bookkeeping by and large became a woman's job, offering much lower pay.

The above has demonstrated that, with the professionalisation of accounting, the meaning of bookkeeping had become more associated with merely the record-keeping and transaction-processing functions. In the following section, there is discussion of 'mechanical tools' and 'scientific management', which were employed by organisations to pursue labour cost reduction and influenced a claim for the simplification and the deskilling of both functions.

Mechanical tools and scientific management

It is suggested that mechanical tools and scientific management supported a claim for the simplification and the deskilling of record-keeping and transaction-processing activities, as bookkeeping was viewed as becoming a 'labour' practice (Cooper & Taylor, 2000; Strom, 1987). From the late 19th and early 20th centuries, organisations started to implement mechanical tools and to employ scientific management methods; in order to reduce the cost of bookkeeping labour, increase productivity, and gain efficiencies in the recording and processing of large (and growing) volumes of financial transactions. Both of these mechanisms are to be elaborated, below.

First, in the late 19th century, with an increasing number of transactions, organisations started to implement new mechanical tools (e.g., typewriters, calculators, and billing machines) to gain labour cost reductions, high productivity, and more overall efficiency in bookkeeping (Cooper & Taylor, 2000;

Kirkham & Loft, 1993; Strom, 1987; Wootton & Kemmerer, 1996). It was a significant change in bookkeeping practice since, before 1870, bookkeeping had been entirely manual (Wootton & Kemmerer, 1996). Mechanical tools reduced the effort required to keep financial records and to process transactions. It has also been argued that companies tended to hire women in this period, since it was held to be easier to train women in using machines, rather than men, who were used to performing bookkeeping manually (Strom, 1987). Premised on the emergence of these mechanical tools, it has been claimed that bookkeeping practices were being simplified and deskilled around this time (Cooper & Taylor, 2000). The following illustrates the way in which technology companies became active in attempts to socially construct the assumption that bookkeeping had been simplified and deskilled, promoting their machines as a means to make bookkeeping tasks effortless:

Office machine companies urged businesses to buy their machines and avoid wartime labor supply problems by training women to use them. They claimed their products were so easily operated that even those with no previous bookkeeping training might be put to work. "Uncle Sam took my experienced clerks. In their place I have willing workers but INEXPERIENCED. So I must have simple office machines...inexperienced operators soon become lightening fast on the 10-KEY DALTON. [...] Burroughs announced that "*anyone who can read can post ledgers with a Burroughs Automatic Bookkeeping machine.*" (Strom, 1987, p. 75, *emphasis in original*).

Second, scientific management has influenced accountancy since the 1920s (Strom, 1987). It is a management concept which the service industry borrowed from manufacturing to gain economies of scale and efficiency (Levitt, 1972). Scientific management originated in the late 19th century, the outcome of a study by Frederick Winslow Taylor to find the most efficient way of loading pig iron (Taylor, 1911, 1964). Conceptually, scientific management has the potential to generate simplification in daily operations by fragmenting and defining tasks; implementing technology which helps to reduce effort in performing the tasks; equipping operational staff with *standard operating procedures* (SOPs); supervision; and assigning narrow task scopes to individual employees. A combination of these various elements is expected to eliminate discretion in the performance of tasks. In particular, SOPs are provided to specifically guide the way in which fragmented tasks should be carried out (March & Simon, 1993). SOPs are the crucial element of standardisation in a work's environment because

they function not only as work guidelines for employees but also as a medium for control (Macintosh & Daft, 1987).

In the accounting realm, scientific management has been especially applied to record-keeping and transaction-processing functions, since the tasks comprising these functions are viewed as having steps, which can be articulated and standardised:

If the flow of work is great enough, the application of the principles of Scientific Management can be applied to the office process. This point is important in a bookkeeping context. Without sufficient flows of invoices, it would be impossible for management to parcel out the bookkeeping tasks to clerical workers in a Tayloristic manner (Cooper & Taylor, 2000, p. 565).

As a consequence, since the implementation of scientific management, the record-keeping and transaction-processing functions have been fragmented into sub-functions, and bookkeepers have tended to be assigned to a narrow task scope. It has been anticipated that such organisation would generate simplicity as well as specialisation in daily operations and subsequently assists in making efficiencies:

In order to more efficiently process this information, corporations began to specialise the general "bookkeeping" functions. In many large corporations, there were no longer "bookkeepers", instead there were payroll bookkeepers, purchase bookkeepers, posting bookkeepers, and "machine bookkeepers" (Wootton & Kemmerer, 1996, p. 578).

Underpinned by mechanical tools and scientific management, it became generally assumed that record-keeping and transaction-processing functions constituted largely 'routinised' and 'simplified' tasks, which required minimal judgment and interpretation; only supervisors were expected to engage in judgment and interpretation (Cooper & Taylor, 2000; Strom, 1987; Wootton & Kemmerer, 1996). Thus, mechanical tools and scientific management contributed significantly to the social construction of a general assumption that record-keeping and transaction-processing functions were simplified and mostly deskilled activities. Having said this, although bookkeeping was positioned at a lower status level than accounting at this stage, such jobs still received some respectability, and accumulated experience in bookkeeping was still valued. By the 1970s, still without a wide spread of personal computers, technical and organisational knowledge as well as skills of bookkeeping were still important

(Cooper & Taylor, 2000). At this stage, companies tended to hire educated women from middle-class families, and bookkeeping jobs still offered better pay than other clerical jobs around this time (Kirkham & Loft, 1993; Wootton & Kemmerer, 1996). Therefore, in the age of mechanical tools and scientific management, bookkeeping was considered maybe as a deskilled and simpler practice, but not yet a low-skilled and totally simplified practice.

Stage Three

In the age of information and communication technology (ICT), it is now widely perceived that bookkeeping is a low-skilled and simplified practice, as is reflected through the discussion in section 2.1. Since the 1980s, advanced computerisation has further simplified and deskilled bookkeeping practice, and the notion of offshoring (record-keeping and transaction-processing) functions has become more possible. According to Cooper and Taylor (2000), advances in computerisation (i.e., the implementation of microcomputers in 1980s and new accounting software systems) and ongoing developments in scientific management have removed the complexity from bookkeeping. Technical knowledge and skills (e.g., double entry techniques and trial balances) are less likely to be required for entrance into bookkeeping jobs. And, *accumulated experience* in bookkeeping practice does not appear to be as greatly valued since the 1990s:

From these required characteristics and abilities we can construct a profile of a type of mature non-professionally qualified woman with a wide range of bookkeeping skills who probably has deep and accumulated knowledge of a particular industry or trade. We suggest, also, it is the arrival of computerisation and the further subdivision of tasks which accompanies it, which erodes the “craft” of this employee and which reduces the demand for this type of employee (Cooper & Taylor, 2000, p. 572).

Computerisation has also played a significant role in increasing efficiency and effectiveness with record-keeping and transaction-processing functions (Booth et al., 2000; Spathis & Constantinides, 2004). It helps to automate bookkeeping activities, reduces the effort required in processing transactions, and enables high-volume processing. For instance, data which is manually inputted to a computer is then automatically processed to the relevant main ledgers. Importantly, computerisation also has the potential to facilitate *rote*-learning:

Although, for example, a Period 4 [March 1991- December 1996] 'sales ledger input clerk' may be aware of the term 'trial balance', this does not mean that the clerk would necessarily understand the technical processes which lie behind the trial balance (Cooper & Taylor, 2000, p. 570).

Such features of computerisation tend to significantly reduce the importance of bookkeeping experience.

Furthermore, similar to the professionalisation development of accounting in Stage Two (above), bookkeeping practices tend to be (continuously and increasingly) detached from value-adding, core, and strategic accounting in the age of ICT. This, for example, is reflected in the phenomenon of offshoring of bookkeeping activities alongside the models of shared services and outsourcing. Such notion of detaching bookkeeping activities from professional accountants (so that the latter can focus on their business partnering roles) emphasises the trivial image of bookkeeping in the practitioner world. It implies that low-skilled and simplified activities can be physically taken away from local accounting experts. Such alternative ways to manage the bookkeeping process, via offshoring, have become available because of the advances made in ICT – e.g., ERP technology and electronic banking systems (Sako, 2006).

Thus, today's widely held perception of bookkeeping is one of simplified and low-skilled activity. It is viewed as underpinning mundane and uncomplicated jobs, and it is assumed that bookkeeping clerks engage in mindless, rather effortless repetition of actions, such as entering recurring transactional data onto the computer system (Cooper & Taylor, 2000). Such mundane and non-challenging characteristics rationalise the reality of low salaries in the bookkeeping practice. And, by drawing on some of the examples provided here, of negative views towards bookkeeping, it would also seem reasonable to argue that contemporary bookkeeping comes with minimal respectability. Such negative views towards modern-day bookkeeping convey important difference with Stage Two. In Stage Two, although the meaning of bookkeeping was socially reconstructed, and bookkeeping was deskilled and positioned at a lower status level than accounting, bookkeeping jobs still nevertheless came with a degree of respectability, and accumulated experience in bookkeeping was still generally valued. By contrast,

bookkeeping today appears to (be perceived to) represent a trivial job, and bookkeeping experiences are not greatly valued.

To summarize, sections 2.1.1 and 2.1.2 have demonstrated that the bookkeeping phenomenon is not a given but socially constructed, and it changes through time. Its meaning, the way activities are carried out, and how it is perceived can change over time. From practices which originally covered a wide scope of tasks, the meaning of bookkeeping was socially reconstructed as a dimension of accounting, including record-keeping and transaction-processing functions. Also, the way those functions are executed has changed over time – i.e., from manual operation to computerised bookkeeping. In particular, the way bookkeeping is perceived has also changed, from representing prestige and complex jobs to comprising mundane and uncomplicated jobs. Nevertheless, in spite of the widely held perception of simplified bookkeeping, there is still some (though relatively sparse) evidence of complexity in bookkeeping practices; such evidence of complexity will be discussed in the next section.

2.1.3 Some evidence of complexity

Section 2.1.1 has demonstrated that it is widely perceived that bookkeeping practices in the age of advanced computerisation is simplified and low-skilled. Based on computerisation and the ongoing scientific management, it even argues that today's bookkeeping seems to lose its "craft" (Cooper & Taylor, 2000, p. 572). Extant literature, more specifically the negative views on bookkeeping as presented in section 2.1.1, gives a sense that today's bookkeeping is viewed as mere 'labour process', to the extent to that it does not require much judgment and interpretation, but mindless and rather effortless repetition of actions and interactions. Nevertheless, there is some (though quite small) evidence that today's bookkeeping is actually far from mere 'labour process', to the extent that judgment and interpretation is required and that there is complexity involved.

To begin with, the extent of how far scientific management, accompanied by technology, can simplify and deskill bookkeeping is unclear. Strom (1987) argued that in the age of mechanical tools, when the assumption that bookkeeping

practices were simplified was already made, the degree of the deskilling of actual practices through mechanical tools and scientific management is questionable:

Yet the extent to which bookkeeping could be deskilled and mechanized remained problematic. Workers continued to apply hidden skills of judgment and to integrate a number of tasks, particularly to jobs in the middle levels of bookkeeping, even though these jobs required the use of machines. Work done by machine operators had to be supervised, checked, and prepared for use by head bookkeepers and accountants. Some of the machine work was statistical or inappropriate for "factory"-like regimens. Most of this kind of work had never been performed by traditional bookkeepers. The increasing numbers of women holding these jobs before World War II were thus neither "unskilled" nor "deskilled," yet their duties remained largely unarticulated in official job titles and descriptions" (Strom, 1987, p. 64, emphasis added).

The above reflects that mechanical tools and scientific management did not turn bookkeeping into being a purely mechanical process. Such developments may turn the record-keeping and transaction-processing functions into more mechanical processes (e.g., ledger posting and billing), but there were still 'unmechanical' and 'unarticulated' elements of bookkeeping, and such elements tended to require "hidden skills of judgment" (Strom, 1987, p. 64). In other words, operating machines or tools did not saturate the whole of bookkeeping activity. Strom (1987) also stated that bookkeepers negotiated for higher salaries when they realised that they had to engage with hidden skills in undertaking their various tasks (although he did not really specify what these hidden skills and unarticulated aspects of bookkeeping were). In that period, in large organisations, the scenario of workers at an operational level is that there were those machine and tool operators and bookkeepers. Pure mechanical tasks were transferred to machine or tool operators. So, to visualise the actual role of bookkeepers in daily operations, it is important to distinguish between the pure machine and tool operators who did not engage in judgment and interpretation on the one hand, and bookkeepers who engaged judgment and interpretation on the other (Cooper & Taylor, 2000).

These arguments of Strom (1987) raise an alarm that technology and scientific management do not necessarily assure simplification and deskilling of the bookkeeping process. Indeed, even in the age of computerisation, there are still questions over the degree to which bookkeeping practices are simplified and deskilled. More specifically, in spite of computerisation, for transactions which are

not processed automatically, bookkeepers still have to engage in some judgment and interpretation of transactions before they enter data into computers, including account coding (Ginzberg, 1980): “Coding requires a reasonable amount of technical expertise to identify the expense and match it with the appropriate nominal account” (Blewett & Jarvis, 1989, p. 129). In bookkeeping, account coding is a major task; it involves making a judgment about which account a particular transaction should be posted to and also considering the way in which a particular transaction would affect an account balance (i.e., via debiting and crediting) (Horngren et al., 2014).

Furthermore, a variety of transactions, different contexts, and customer involvement, all deemed to be challenges to scientific management (Lilrank, 2003), are inherent to bookkeeping practices. First, when there is variety in task-processing, it is difficult to achieve high productivity (Armistead, Johnston, & Slack, 1988). Beretta and Dossi (1998) suggested that a variety of transactions and high volume bring complexity to bookkeeping. Second, even though today’s bookkeeping may give a sense of being an inactive phenomenon, some studies indicate that bookkeeping practices are situated in dynamic environments, such as when there is change of suppliers and where there is variety in the types of transactions (Barrar, Wood, Jones, & Vedovato, 2002; Saeman & Crooker, 1999). Pentland et al. (2010) pointed out that invoice-processing, which is another major task of bookkeeping and usually involves a high volume of transactions, is a contextual task to the extent to that each transaction can involve different details. Third, where there is a high degree of customer involvement in the production process, efficiency may not be reached at a high level (Chase, 1979). Bookkeeping and bookkeepers are not isolated from other parts of the organisation (Hopwood, 1976, 1987; Humphrey & Scapens, 1996). As internal services, the record-keeping and transaction-processing functions involve internal customers, who are engaged in the bookkeeping process regarding input and output of services (Stauss, 1995; Vandermerwe & Gilbert, 1991). In such situations, it means that input data cannot be fully controlled. This is not ideal in a setting for standardisation but not unusual in service jobs. Such inherent characteristics of bookkeeping imply a degree of complexity, calling for tasks undertaking with an element of judgment and interpretation, though in the

academic and practitioner literature such things to be *overlooked* or at least *understated*.

Importantly, there is also limited understanding of the extent to which ERP technology might assist to simplify bookkeeping tasks. Even though some management can claim a satisfaction with ERPs in relation to transaction-processing (Booth et al., 2000), there is also evidence that indicates unflattering outcomes of ERP technology at the operational level:

The MIS staff were happy with the payroll system they had created [...] the accountants were happy with their general ledger system (which took a month to close). However, none of these systems reported results which were consistent, and none of them contained totally accurate data (Scapens & Jazayeri, 2003, p. 206).

In this section, evidence from the literature has been presented to raise awareness that bookkeeping practices, in this age of advanced computerisation, can involve complexity. Such evidence questions the extent of simplification and deskilling of bookkeeping and reflects that the prevailing notion of simplified bookkeeping does not necessarily or entirely reflect the reality of bookkeeping practices (Seal, 2010; Seo & Creed, 2002).

In summary, section 2.1 has elaborated on the widely held perception of simplified bookkeeping. The social construction of bookkeeping has been emphasised to provide grounding to challenge this prevailing notion of simplified bookkeeping. It has been highlighted how the general view of simplified bookkeeping is to a large extent underpinned by the aims of cost reduction and the detachment of record-keeping and transaction-processing from more strategic and value-adding forms of accounting. Since empirical evidence in support of simplified bookkeeping is quite scarce, and there is at least *some* evidence of complexity in bookkeeping practice, it seems reasonable to question the degree and magnitude of simplification and deskilling of bookkeeping over recent years.

In the next section there will be extended discussion of the specific nature of bookkeeping practices in SSCs. In particular, consideration will be given to the

social construction of the assumptions surrounding simplified bookkeeping within the shared services model.

2.2 Bookkeeping in shared services centres (SSCs)

In the thesis, the unit of analysis is a bookkeeping SSC. This section thus presents the extant knowledge of bookkeeping in SSCs to provide the backdrop for making sense of the SSC bookkeeping phenomenon in the case organisation. In particular, despite being a trend of large multinational companies since the 1990s, bookkeeping in SSCs is an under-researched within academia (Bangemann, 2005; Selto & Widener, 2004). The characteristics of the shared services model and SSCs are not widely acknowledged in society. This section is divided into two sub-sections. Section 2.2.1 describes the concept of bookkeeping in SSCs in more detail, including the shared services model and bookkeeping SSCs. Such overview is necessary to develop understanding of the SSC bookkeeping practice. Next, section 2.2.2 discusses (and challenges) the simplicity which is normally anticipated in SSC bookkeeping, in particular the socially constructed assumption of simplified bookkeeping.

2.2.1 The concept of bookkeeping in SSCs

What is the shared services model?

The shared services model originated in the US private sector in the 1980s and started to enter Europe during the 1990s (Bangemann, 2005; Cacciaguidi-Fahy et al., 2002; Malcolm, 1999; Mechling & Schwarz, 2007; Quinn, Cooke, & Kris, 2000; Schulman et al. 1999). It has been argued that General Electric was the first organisation to establish SSCs. The shared services model is usually applied to support functions within organisations, such as bookkeeping, human resource, and IT. However, the shared services model is said to have originated in bookkeeping, and often it is this support function (i.e., frequently the accounting or finance function of an organisation) which then introduces the shared services model to other parts of the organisation (Quinn et al., 2000). The characteristics of bookkeeping – viewed by many as being non-strategic, homogeneous, and voluminous activity – appear congruent with consolidation and standardisation,

particularly when combined with offshoring (Bangemann, 2005; Sako, 2006; Schulman et al., 1999).

There is no consensus on where the term 'shared services' came from (Mechling & Schwarz, 2007; Quinn et al., 2000). In the extant literature, there are a variety of definitions for 'shared services', examples of which will follow. According to Schulmann et al. (1999, p. 9), shared services is: "The concentration of company resources performing like activities, typically spread across the organisation, in order to service multiple internal partners at lower cost and with higher service levels, with the common goal of delighting external customers and enhancing corporate value". The definition of Quinn et al. (2000, p. 11) is: "the practice of business units, operating companies and organisations deciding to share a common set of services rather than have a series of duplicate staff functions". Bergeron (2003, p. 3), meanwhile, defines shared services as: "a collaborative strategy in which a subset of existing business functions are concentrated into a new, semi-autonomous business unit that has a management structure designed to promote efficiency, value generation, cost savings, and improved service for the internal customers of the parent corporation, like a business competing in the open market". And finally, according to Gospel and Sako (2010, p. 1368), shared services can be defined simply as: "business processes which are shared across units within a company".

Despite the variety of definitions for shared services, there are some key and common characteristics that are acknowledged in literature (Bangemann, 2005; Bergeron, 2003; Cacciaguidi-Fahy et al., 2002; Herbert & Seal, 2012; Quinn et al., 2000; Schulman et al. 1999), for instance:

- (1) The consolidation of bookkeeping activities, which are common across multiple business units, into newly-established SSCs;
- (2) Business process re-engineering, including the consolidation and standardisation of bookkeeping activities and the implementation of ERP technology;
- (3) Promoting a service-orientation in SSCs by creating service level agreements between an SSC and business units, an agreement which defines the scope of services, performance measurements, targeted service levels, and service pricing.

A shared services model is usually adopted by private companies with revenues over 2 billion US dollars (Schulman et al., 1999); however, more recently, public sector organisations have also begun to adopt the shared services model (Cacciaguidi-Fahy et al., 2002). There are numerous reasons for adopting this organisational model – e.g., cost reduction, performance improvement, promotion of business partnering role, and improvement in internal controls. The most popular drivers are said to be cost reduction and performance improvement, the benefits from which are hoped to be generated through (often combined) processes of consolidation, standardisation, and offshoring (ACCA, 2012; Bangemann, 2005; Cacciaguidi-Fahy et al., 2002; Gospel & Sako, 2010; Sako, 2006).

What are bookkeeping SSCs?

When organisations decide to adopt the shared services model for managing bookkeeping activities, SSCs are subsequently established in selected locations. Janssen and Joha (2006, pp. 102-103) defined an SSC as: “a separate and accountable semi-autonomous unit within an (inter) organisational entity, used to bundle activities and provide specific pre-defined services to the operational units within that (inter) organisational entity, on the basis of agreed conditions”.¹ According to the extant literature (Bangemann, 2005; Bergeron, 2003; Quinn et al., 2000; Schulman et al., 1999), some of the key characteristics of a bookkeeping SSC are:

- (1) An independent unit having its own business management (e.g., executives, budgets, and staff) and reporting directly to the headquarters;
- (2) The provision of bookkeeping services, as specified in service level agreements, made with particular business units in an organisation;
- (3) Obligation to achieve agreed service levels, as specified in the relevant service level agreements.

The metaphor ‘transaction factory’ can be helpful for visualising an SSC, since one of the main goals of such centres is high productivity. In principle, a transaction factory is responsible for supporting activities which are homogenous,

¹This definition is a broad definition of SSCs, not exclusive to bookkeeping SSCs.

or potentially made to be homogeneous, across business units, and which do not require any great degree of thought or analysis. This said, it would seem an appropriate time to mention the other type of SSC, which is responsible for supporting activities that are less homogenous across business units and require a considerable degree of analysis (e.g., through cost accounting methods). This type of SSC is called a “competence centre” (Bangemann, 2005, p. 25). Transaction factories and competence centres have different policies for hiring staff. That is, in a transaction factory it is usually held that staff with lower skill-set are sufficient to be able to handle “standardised processes”, whereas competence centres require experts who can cope with “lots of variation” (Bangemann, 2005, p. 25). Since the case organisation in this thesis is a bookkeeping SSC more akin to a transaction factory, and also the term ‘SSC’ more generally refers to a transaction factory (Bangemann, 2005), the use of the term ‘SSC’ in this thesis refers to a transaction factory (unless stated otherwise).

Location also plays a significant role in the cost reduction aspect of the shared services model. There are the two types of location for SSCs (Bangemann, 2005). The first type is setting up SSCs in a headquarters’ country, which is called a ‘brownfield’ location. The second type is setting up SSCs in remote countries, which is called a ‘green-field’ or ‘offshore’ location. The green-field or offshore location refers to remote countries that have inexpensive labour cost, low cost of living, and inexpensive infrastructure. Due to advances in ICT, e.g., ERP technology and electronic banking systems, the offshoring of SSCs in remote countries is more possible (Cacciaguidi-Fahy et al., 2002; Gospen & Sako, 2010; Sako, 2006). An offshore location has potential to significantly reduce labour costs; so, it is probably no surprise that many large (Western) multinational companies establish SSCs in offshore locations, such as Shell, ExxonMobil, Volvo, and Ford have SSCs in Asian countries.

Bookkeeping constitutes repetitive activities, which can give a sense of inertia; however, SSCs usually boast rather *dynamic* environments, which indeed can potentially complicate their daily operations (Mechling & Schwarz, 2007). In general, bookkeeping is viewed as non-core or supporting activity in organisations, but, importantly, it will become core once it is transferred to SSCs (Ulbrich, 2006). In such circumstances, bookkeeping tasks are concentrated on,

and SSCs seek to improve efficiency and effectiveness (Schulman et al., 1999). A service level agreement, which defines the scope of services, performance measurements, targeted service levels, and service pricing, is expected to enforce desired performance and embed performance or service-oriented (Malcolm, 1999). Therefore, based on the performance or service-orientation, continuous improvement in processes, which seeks for 'best practice', is a common characteristic of SSCs (Cacciaguidi-Fahy et al., 2002; CIPFA, 2010; Schulman et al., 1999; Seal & Herbert, 2013). Furthermore, a high turnover rate of employees is a challenge of bookkeeping SSCs; Cacciaguidi-Fahy et al. (2002, p. 6) particularly stated that: "the main drawback in setting up a shared services centre is in the area of staff turnover". They also argued that limited staffing budgets, limited career paths, and boredom with bookkeeping jobs usually lead to high staff turnover rates.

The above has described the main characteristics of the shared services model and bookkeeping SSCs, by way of providing a backdrop for understanding the SSC bookkeeping phenomenon. In the next section, there will be a further discussion of the simplicity which is anticipated in SSC bookkeeping practices, preliminaries for understanding the social construction of the broad assumption of simplified bookkeeping. In addition, there is evidence that challenges such claims.

2.2.2 Anticipated simplicity

This section discusses the simplicity which is anticipated in the SSC environment, as well as the socially constructed assumption in the shared services model that bookkeeping practices are simplified. It also presents evidence from the literature which, conversely, indicates complexity in SSC bookkeeping.

By drawing on the existing literature, the assumption of simplicity surrounding bookkeeping practices underpins the very establishment of SSCs. As mentioned earlier, the concept of a business partnering role for professional accountants in local business units, which is a reason for the adoption of shared services in bookkeeping, reflects that low-skilled and simplified bookkeeping activities are to be taken away from accounting experts (ACCA, 2012; Cacciaguidi-Fahy et al.,

2002; Herbert & Seal, 2012; Malcolm, 1999; McIvor et al., 2011; Seal & Herbert, 2013). Whereas the widely held perception of simplified bookkeeping underpins the establishment of SSCs, once established, SSCs help to reproduce that perception. The argument is that standardisation, a key feature of business process re-engineering in the shared services model, has potential to further simplify bookkeeping practices (Cacciaguidi-Fahy et al.; Seal & Herbert, 2013):

The achievement in SSCs of cost reduction via task standardisation leads to new challenges for management. Many of the roles in SSCs involve very repetitive activities, and the advances in ERP systems have resulted in the de-skilling of previously more varied clerical jobs, such as human resource management or accounts payable functions. The thrust of SSCs is often to re-engineer individual tasks to make them *more* routine and combine them to achieve efficiency by increasing volume (CGMA, 2012, p. 4, *emphasis added*).

Although not usually explicitly stated in the shared services literature, standardisation (often incorporating ERP technology) resembles the scientific management concept. Herbert and Seal (2013, p. 201) addressed shared services as an “extension” of scientific management, starting from Cooper and Taylor’s (2000) argument that scientific management and technology have been influencing bookkeeping practices in the organisation, particularly deskilling. Therefore, again, it seems reasonable to say that the assumption of simplified bookkeeping in the shared services model is socially constructed through standardisation and ERP technology, or scientific management.

Much of the extant literature suggests simplicity in SSC bookkeeping, meaning that it is not difficult to train staff who do not possess an ideal skill set to perform (Bangemann, 2005; Cacciaguidi-Fahy et al.; CGMA, 2012; Rothwell et al., 2011). In other words, the acquisition of tacit knowledge and routinisation of action are regarded as straightforward and unproblematic:

Furthermore, standardised and simplified processes made it easier to train and monitor accounting staff, and replace some professionally qualified accountants with technician and clerical level workers (Seal & Herbert, 2013, p. 198).

Such a view that employees having little or no background in bookkeeping or accounting at entry level can be *easily* trained gives a sense that SSCs can employ almost anybody. Hence, under the shared services model, the scenario of bookkeeping jobs is that they are re-located to low cost countries, but they are

not strictly transferred to the hands of bookkeeping or accounting people (e.g., accounting graduates, experienced bookkeepers, and accountants).

The socially constructed assumption of simplified bookkeeping is crucial to the shared services model. In particular, it helps organisations who adopt the shared services model to legitimate their choices at least on the grounds of expected labour cost reductions. Based on such assumptions, organisations can actually gain labour cost reductions through paying lower wages for simplified processes by hiring deskilled bookkeepers and, in particular, from exploiting global labour arbitrage in the case of offshoring. Also, there is usually reduced staff numbers and less supervisors, on the grounds of more standardised activities and a wider span of control. Labour cost reduction appears to be an immediate and rather unquestioned gain in establishing bookkeeping SSCs, while there are some doubts about other aspects of cost reduction in the shared services model:

Most finance organisations, even when consolidated into one centre, do not have the scale to become a 'processing factory'. 'Real' scale savings (excluding process saving that could have been achieved without the centre) are often limited to reduced tiers of management and increased span of control. If scale economies are a real opportunity organisations may need to consider outsourcing (or in-sourcing, as some organisations are doing), in order to maximize volumes (Malcolm, 1999, p. 33).

There is however a contradiction in the literature regarding cost reduction in the shared services model. Some authors showed the results of surveys where cost reduction is usually top on the list of reasons for adopting the shared services model (Bangemann, 2005; Cacciaguidi-Fahy et al., 2002) and the percentage of cost reduction which survey participants claimed to have achieved (Quinn et al., 2000). On the other hand, some authors reveal doubts over the claims of cost reduction in the shared services model. For instance, it has been pointed out that actual evidence of cost reduction is lacking in detail, that the possibility of economies of scale in processing bookkeeping transactions is questionable, and that the setting-up cost of any SSCs can be high (Herbert & Seal, 2012; Malcolm, 1999; Mechling & Schwarz, 2007).

Grounded on the socially constructed assumption of the shared services model and the widely held perception that the bookkeeping practices are simplified, it is thus anticipated that activities in SSCs will be simplified. However, the extent to

which SSC bookkeeping is deskilled is particularly questionable, as evidence in the extant literature indicates that, in practice, the degree of simplicity may not be as great as is usually anticipated. These points are now further developed, below.

First, there are efficiency issues surrounding SSCs. The literature suggests that many organisations are unable to benefit fully from the shared services model at the beginning (i.e., poor implementation), and that many SSCs eventually underperform (Cacciaguidi-Fahy et al., 2002; Cecil, 2000; Kris & Fahy, 2003; Malcolm, 1999). The reasons for such undesirable outcomes are broad – e.g., poor process design, tight budgets, poor performance measurement, insufficient effort in terms of change management, and a lack of performance or service-orientation. That said, the extent of how far SSC bookkeeping is deskilled or the complexity of SSC bookkeeping rarely seems to be questioned. Importantly, however, there is (small) evidence that raises an alarm, namely that one possible reason for such inefficiencies could be the actual complexity involved in SSC bookkeeping. That is, one particular study of SSCs indicates that mistakes are quite common in a SSC: “Everyone makes mistakes. The key is to learn from it, and if you’re not afraid to share the mistake with other people, they can learn from it as well, and avoid making the same mistake” (CGMA, 2012). This, in turn, incited me to query the situation and to ask: if SSC bookkeeping activities are simplified, why are mistakes commonplace in practice?

Such unflattering outcomes of SSCs concern the potential adopters of the shared services model: “*What are the efficiencies of locating business services in shared service centers? Cost savings are part of the equation, but effects on usage and quality of service also are important*” (Selto & Widener, 2004, p. 11, *emphasis in original*). Importantly, in recent years, there is a phenomenon of selling SSCs to large outsource companies, e.g., IBM and Genpact (ACCA, 2012; Gospel & Sako, 2010; Rothwell et al., 2011; Sako, 2006). There is a combination of reasons for selling SSCs, such as increasing return on assets, staying competitive in the market, gaining further cost reductions, further improvement in performance, and freeing up executives from bookkeeping practices. While it is beyond this thesis to explore deeply, it would be interesting to know the extent to which the selling SSCs is a reflection of the complexity and challenges (rather than simplicity) in

SSC bookkeeping. Recent events (i.e., sell-offs) would seem to suggest that bookkeeping is maybe not so simple, and it is not easy to obtain efficiencies.

Second, there is inconsistency in the literature on the required skills for employees in SSCs. On one hand, it widely suggests that standardisation and ERP technology in the shared services model make easy learning for staff with a lower skill set (Bangemann, 2005; Cacciaguidi-Fahy et al., 2002; Seal & Herbert, 2013). However, on the other hand, few authors argue that a SSC needs a special breed of employees who can cope with challenges in a SSC – e.g., high workloads and continuous problem solving (Bergeron, 2003):

The skill set needed for successful shared services is robust and does not focus on narrow technical expertise in transaction processing. The skills needed are broader service partnership skills used to focus on solving business problems through understanding the four components of value: cost, time, quality and services (Schulman et al., 1999, p. 122).

Schulman et al.'s (1999) arguments, above, are in line with the concept of staffing in outsourcing. That is, the provision of services with skilful staff seems to be a pitch in outsourcing (Anderson & Vita, 2006; Beaverstock, 2007):

Outsourcing often involves important production cost savings relative to internal production because outside suppliers can aggregate demand, which enables them to benefit from economies of scale, smoother production schedules and *centralization of expertise* (Roodhooft & Warlop, 1999, p. 363, *emphasis added*).

In regards to labour cost reduction, both shared services and outsourcing try to capitalise on global labour arbitrage. However, unlike shared services, outsourcing does not seem to claim to employ a stream of deskilled bookkeepers. Nevertheless, if such claim were to be made, it would be less appealing for companies to go with outsourcing.

An inconsistency in the required skill set of SSC employees can also be inferred from the arguments of Herbert and Seal (2012, p. 84):

Standardisation of systems and technology may allow the SSO to employ cheaper junior staff but, conversely, the scale and new focus of the SSO should also enable it to recruit and concentrate top experts and professionals. Over time, this creates new core competencies to support and enhance the overall organisation.

Herbert and Seal (2012), however, did not develop why, despite standardisation and ERP technology, a lower skill set of employees may not be longer sufficient for the shared services environment.

Third, the extent to which standardisation and ERP technology in the shared services model simplify practice is questionable, since with scientific management and computerisation, organisations can implement scientific management and ERP technology without adopting the shared services model (Malcolm, 1999). By appreciating the evolution of bookkeeping through time (as presented above), the socially constructed assumption of simplified bookkeeping in the shared services model, which rationalises the hiring of low-cost staff who possess lower skills, is not so surprising. Today's bookkeeping is generally considered to be linked with non-professional jobs (Baker, 2001; Cooper & Taylor, 2000). It is common to see, although not necessarily under the shared services model, that technical knowledge and experience are not strict demands for bookkeeping jobs. The following comment from a professional accountant implies that the bookkeeping practices which are transferred to a SSC are not significantly different: "In terms of benefits to the division, AC felt that there was little advantage either financially or operationally because, *'the SSO only does exactly what we did before'*" (Herbert & Seal, 2012, p. 89, *emphasis added*).

A key difference with the shared services model is that it separates record-keeping and transaction-processing functions from strategic and value-adding accounting, and this helps to rationalise the case for simplified bookkeeping, and for instance setting a tight staffing budget. More generally, organisational staff can perform both bookkeeping and accounting tasks (Kirkham & Loft, 1993), but it is generally held that it is the 'accounting' part which requires an accounting skill set. So, under the shared services model, since SSCs are responsible for mere bookkeeping activities, they can rationalise not recruiting staff with an accounting background.

However, in spite of what much of the existing literature claims, SSC bookkeeping in practice tends to be more complicated. For instance, it requires multiple language proficiency to handle the bookkeeping tasks of foreign countries: "Given that these lower-level staff are unlikely to be professional accountants, we do not

need to conclude that advanced linguistic competence will be a requirement for the accountant of the future!" (Cacciaguidi-Fahy et al., 2002, p. 112). In particular, due to the multinational nature of SSCs, English is usually the common, corporate language. And, it is usually preferred that SSC staff possess the necessary foreign-language skills to provide the necessary bookkeeping services to other business units in particular countries.

This sub-section has demonstrated that in the shared services model, the assumption that the bookkeeping practices are simplified is socially constructed, and how this assumption is important for rationalising an organisation's pursuit of cost reduction. However, it has also presented evidence which questions the extent of simplification and deskilling of SSC bookkeeping. The next, and final, section of this chapter will reflect on the extant literature reviewed in sections 2.1 and 2.2, which then forms a basis from which to investigate the extent of simplified SSC bookkeeping and the deskilling in practice.

2.3 Reflection

The literature covered in sections 2.1 and 2.2 has provided a basis for exploring the degree of assumed simplification in bookkeeping practices, and the more specifically the extent of deskilling in SSC bookkeeping. The socially constructed assumption of simplicity in the shared services model and the widely held perception that bookkeeping practices are simplified epitomise that simplicity is usually anticipated in the SSC working environment. This widely held perception of simplified bookkeeping seems to serve organisations in respect to enabling targets for cost reduction and also help professional accountants maintain their privileged status (Seo & Creed, 2002). The claims of simplicity in bookkeeping have had significance in multiple ways; for instance, consider the example where some female bookkeepers negotiated for higher salaries when realising how they needed to use hidden skills (Strom, 1987). But, overall, it seems that the more bookkeeping is claimed to be deskilled, the more that organisations aiming for cost reduction can gain. Moreover, by continuously emphasising the trivial image of bookkeeping, professional accountants detach themselves from bookkeeping activities and thus maintain their sophisticated roles in organisations. In the age of mechanical tools, the meaning of bookkeeping was re-constructed to cover the

ongoing maintenance of records and transaction processing, thereby also separating professional accounting from such seemingly effortless bookkeeping activities. Next, in the age of ICT, in order to maintain an important status within organisations, professional accountants tend to seek to play a business partnering role, and offshoring the bookkeeping activities can (it is assumed) help in this respect.

Based on the above discussion, it is argued that the socially constructed assumption of simplified SSC bookkeeping is open to challenge; simplicity does not necessarily represent the whole reality of such practices, no absolute truth (Humphrey & Scapens, 1996; Seal, 2010; Seo & Creed, 2002). Empirical evidence to support the general view of simplified bookkeeping, more specifically in SSCs, is scarce. For instance, even though accounting research tends to attach bookkeepers with a beancounter image, there is a scarcity of in-depth studies on such claims, particularly in this age of advanced information technology. Moreover, those articles which do exist in this area address some aspects of complexity, e.g., issues of non-efficiency, errors, and a problem with communication in foreign languages. This, it is argued, sets out more reasons to closely investigate the dynamics of bookkeeping within SSCs.

Existing knowledge is insufficient to make sense of the day-to-day dynamics of bookkeeping practices in SSCs, and the manner through which SSC bookkeeping practices can become embedded in an organisational context. Given this scarcity of empirical evidence, the phenomenon of SSC bookkeeping is a relative black-box in academia. However, the complex functioning of SSC bookkeeping, as a core practice in recent times, deserves more detailed investigation. In so doing, it is important to go beyond simply SSC bookkeeping concepts and also consider (for example) the ways in which practice is (not) embedded in an organisation and interacts (or not) with broader extra-organisational phenomena (Hopwood, 1976, 1987; Humphrey & Scapens, 1996). So, for instance, in this thesis, it is considered the extent to which there has been simplification and deskilling of SSC bookkeeping. An interpretivist case-study approach is employed to investigate this particular topic. In the next chapter, the features of such a methodological approach as well as appropriate research method will be described.

CHAPTER 3 RESEARCH METHODOLOGY

The thesis employs an interpretivist methodological approach, informing the empirical investigation of an in-depth case study, to develop deep understanding of the SSC bookkeeping phenomenon. The methodology has an important role in guiding the research process and, in turn, underpinning the creation of knowledge. It suggests that researchers justify the selection of a particular methodology to assure that the thesis's arguments are well grounded (Johnson & Duberley, 2000; Lukka, 2010). So, this chapter explains the rationale for adopting an explanatory case study method, and the ways in which it will assist in enhancing our understanding of the under-explored area of bookkeeping practices, as well as generally informing the research process. Such explanation is particularly necessary because an interpretive, case-based research approach has been criticised in regards to its capability to contribute towards accounting knowledge (Zimmerman, 2001). This chapter therefore aims to demonstrate that an interpretive, case study approach shapes this thesis in a manner that will generate valuable and insightful knowledge of the SSC bookkeeping phenomenon.

This chapter is structured as follows. Section 3.1 covers the variety of methodological approaches within accounting research. In this section, the philosophical assumptions that underpin various research methodologies are also described. Next, section 3.2 discusses employing the interpretive, case-based approach in this thesis. In particular, this section describes the way in which such a research perspective helps the thesis to make a worthwhile contribution towards accounting research. Then, in section 3.3, procedures taken to increase rigor in conducting the interpretive case study are elaborated. This is followed, in section 3.4, by an overview of some of the theoretical perspectives commonly used to inform explanatory case studies in accounting research. Finally, section 3.5 reflects upon the employment in the thesis of an interpretive, case-study approach.

3.1 Methodological approaches in accounting research

To begin with, classifications of accounting research represent attempts to demonstrate that there are alternative methodologies to the rather dominant 'positivist' accounting research approach, which all make a contribution to knowledge in the accounting sphere (Chua, 1986; Hopper & Powell, 1985; Laughlin, 1995; Ryan et al., 2002). In this respect, the respective philosophical assumptions, including ontology and epistemology, are key criteria in the classifications. In section 3.1.1, below, there is first a description of the philosophical assumptions that underpin various methodological approaches. Then, section 3.1.2 covers the various classifications of accounting research; in particular, this sub-section describes three main paradigms in accounting research, namely: (1) mainstream, (2) interpretive, and (3) critical (Chua, 1986; Hopper & Powell, 1985), as well as a later and alternative classification developed by Laughlin (1995).

3.1.1 Philosophical assumptions

It has been argued that the philosophical assumptions underpin any research process, and that a researcher should always specify them clearly in order to assure the reader or observer that a chosen methodology is appropriate for a particular investigation (Creswell, 2003; Ryan et al., 2002; Tomkins & Groves, 1983). This philosophical point of view brings ontology and epistemology into accounting research.

Ontology is the study of nature of reality or existence (Crotty, 1998). In accounting research, Tomkins and Groves (1983) adopted a classification of the ontological assumptions of social science, as originally developed by Morgan and Smircich (1980), to outline the nature of reality underlying any accounting phenomena to be studied. Morgan and Smircich (1980, p. 492) classified ontological assumptions into six levels: from extreme objectivity (realism), in which reality is viewed as an object independent of human's consciousness, like that in natural science, to extreme subjectivity (idealism), in which reality exists only in human imagination (see Table 1).

Table 1. Six basic ontological assumption sets.

1. Reality as a concrete structure
2. Reality as a concrete process
3. Reality as a contextual field of information
4. Reality as symbolic discourse
5. Reality as social construction
6. Reality as projection of human imagination

Source: Morgan and Smircich (1980, p. 492, cited in Tomkins and Groves, 1983, p. 367)

Epistemology on the other hand is the theory of knowledge; it concerns knowledge claims to the extent to what knowledge is, and how researchers acquire and justify what they consider as constituting knowledge (Crotty, 1998). The epistemological assumption, which depends on the presupposition of nature of reality of accounting phenomenon being investigated (ontology), will direct research methodology (Crotty, 1998; Hopper & Powell, 1985). In accounting research, Hopper and Powell (1985), drawing on the work of Burrell and Morgan (1979), described that if reality is viewed as an object independent from individuals, knowledge is to be discovered and should be acquired by observation. In this respect, the scientific method is appropriate. However, if reality is seen as a subjective phenomenon, researchers should acquire knowledge of this phenomenon through interpretation. In this respect, the hermeneutics method is more appropriate than the scientific method, because generalising results of subjective phenomena is problematic (Ryan et al., 2002).

3.1.2 Classifications of accounting research

Historically, a positive research methodology, influencing both finance and management accounting research, started to outshine normative research (i.e., the original accounting research) since the 1970s (Lee, 2004). While normative accounting research focuses on prescribing how accounting practices *should* be, based on the value-judgments of accounting researchers (Lehman, 1992), a positive research claims that its prominent strength is in its ability to make predictions by using scientific methods (i.e., developing and testing hypotheses) to produce universal laws which are believed to be non-biased (Watt & Zimmerman, 1986). Despite its popularity globally, particularly in U.S. accounting

research, a scientific method is not favoured by all accounting researchers. For instance, particularly since the 1980s, positive research has been questioned in regards to its inability to explain accounting practices in their broader (social, political and organisational) contexts and its neutrality and independence to the extent to that it serves certain classes in society (Scapens, 2006; Tinker et al., 1982)

As a consequence, some accounting researchers have attempted to classify the various methodological approaches in accounting research in order to highlight first that a phenomenon being investigated requires an appropriate methodology, and that there are alternative methodologies to direct a research process other than a positivist methodological approach (Chua, 1986; Hopper & Powell, 1985; Laughlin, 1995; Ryan et al., 2002). In the following, the classification of accounting research is split into three paradigms: mainstream, interpretive, and critical (Chua, 1986; Hopper & Powell, 1985). An alternative and slightly more recent classification of accounting research, developed by Laughlin (1995), is also discussed.

In its early years, the four-paradigm grid of *organisational* research (i.e., functionalism, interpretive, radical structuralism, and radical humanism), developed by Burrell and Morgan (1979), influenced the classification of accounting research. Hopper and Powell (1985), building on this framework by Burrell and Morgan (1979), used 'the nature of social science' (creating a continuum ranging from the objectivity to the subjectivity of ontology, epistemology, human nature, and methodology) and 'the nature of society' (creating a continuum ranging from regulation in society to radical change in society) as two dimensions for grouping different accounting research. Hopper and Powell (1985) then categorised accounting research at that time into the mainstream, interpretive, and critical accounting research approaches (see Figure 1).

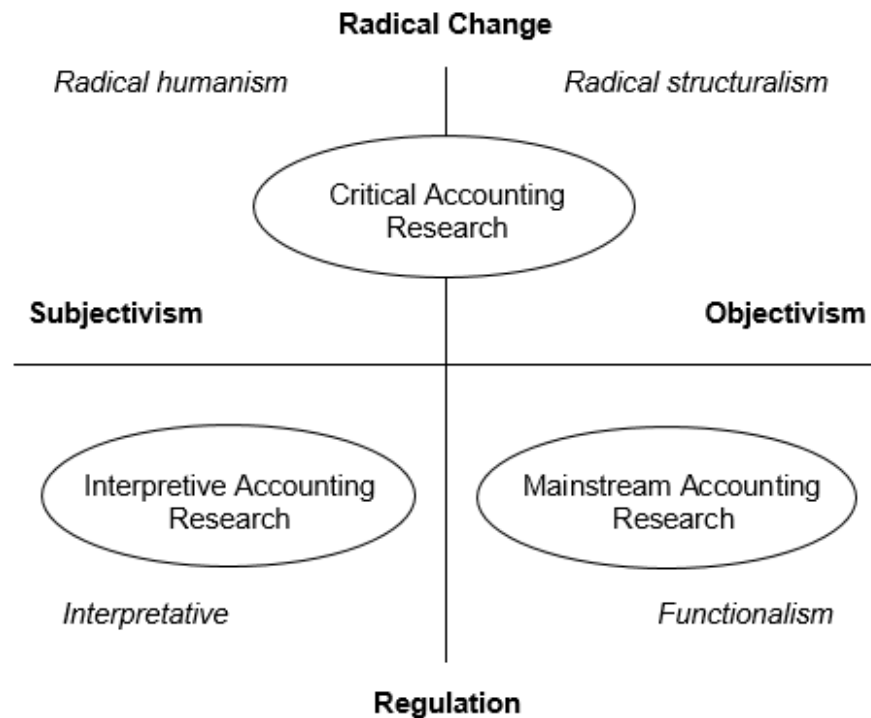


Figure 1. Hopper and Powell's taxonomy of accounting research.

Source: Ryan et al. (2002, p. 40)

Then, Chua (1986) criticised Burrell and Morgan's (1979) framework, on the grounds mostly of overly-strong dichotomies. Chua (1986) used 'belief about knowledge' (epistemology), 'belief about empirical phenomena' (ontology), and 'relationship between theory and practice' as her grouping criteria, but still actually arriving at a similar classification of accounting research to Hopper and Powell (1985). That is, her classification was: mainstream accounting, interpretive alternative, and critical alternative. This overlap makes sense because criteria in both classifications included ontological and epistemological assumptions. The features of these three main accounting research paradigms are now described in more detail (Ryan et al., 2002).

The mainstream, and economics-based, paradigm holds objectivist ontological and epistemological assumptions, in which a particular accounting phenomenon being studied is viewed as an object which is independent from individuals' interpretation or opinions (ontology), and knowledge is thus to be discovered and acquired by observation (epistemology) through a scientific method (methodology). In a scientific method, hypotheses are developed and tested, and

then it can be claimed that the results produced are non-biased and underpin universal laws (i.e., the generalisation of results). Positive accounting research particularly gains its popularity through its claimed ability to make predictions, based on its scientific methods.

On the other hand, in the interpretive and critical paradigms, a subjectivist ontology and epistemology ensure that a particular accounting area being examined is seen as being socially constructed, thus researchers will acquire knowledge of this phenomenon by interpretation (Ryan et al., 2002; Smith, 2011). In this respect, a hermeneutics method is more appropriate than a scientific method, as generalising results of subjective phenomena is problematic (Laughlin, 1995; Ryan et al., 2002). Both research paradigms echo that knowledge in the accounting area should not be based on mere quantification. In some situations, qualitative knowledge has to be constructed to broaden our wisdom. Even though both perspectives are grounded on the same assumption of the social construction of reality, they nevertheless have different purposes. That is, interpretive researchers seek to enhance understanding of accounting practices, methods or systems embedded in specific organisational context; whereas critical researchers aim to evaluate accounting phenomena as shaping, sometimes in adverse and radical ways, organisational and social reality (Smith, 2003). In the critical worldview, there are assumed to be class-based conflicts in society which deserve investigation and, subsequently, need to be changed (Lukka, 2010). However, it is probably important to note that even though the interpretive and critical perspectives have been increasingly adopted in the last 40 years or so, particularly in European universities, the scientific inquiry-based approach remains dominant, particularly in North America and other non-European settings (Lukka, 2010; Malmi, 2010; Merchant, 2010).

Finally, an alternative framework from Laughlin (1995) presents three dimensions, 'theory', 'methodology' and 'change', about which a researcher is said to need to make choices before conducting accounting research. Laughlin's (1995) framework is also influenced by Burrell and Morgan's earlier contributions; however, Laughlin (1995) did not put emphasis on the subjective-objective continuum (Ryan et al., 2002). His theory dimension concerns "the level of prior theorising and prior theories" in research (Laughlin, 1995, p. 66). This also implies

making choices about (the researcher's) views on ontology and epistemology for particular research. The methodology dimension concerns choices over the views of the role of a researcher and the level of theory involved in conducting that research. Whereas, the change dimension in Laughlin's framework concerns whether research is aimed at 'making a difference' in the particular setting under examination. In his framework, the three respective dimensions are rated as high, medium or low. Figure 2 (below) presents his classification of approaches in accounting research.

		Theory choice: levels of prior theorization		
		High	Medium	Low
Methodological choice: level of theoretical nature of methods	High	Positivism (L) Realism (L) Instrumentalism (L) Conventionalism (L)		
	Medium		German critical theory (M)	Symbolic interactionism (Kuhn) (L)
	Low	Marxism (H)	Structuration (L) French critical theory (L)	Pragmatism (L) Symbolic interactionism (Blumer) (L) Ethnomethodology (L)

Change choice: level of emphasis given to critique of status quo and need for change (high/medium/low)

Figure 2. Characteristics of alternative schools of thought.

Source: Laughlin (1995, p. 70)

Laughlin (1995, p. 80) then demonstrated the three main schools of accounting research, which refer to the main stream perspective (high/ high/ low), the interpretive perspective (low/ low/ low), and the middle-range thinking (medium/ medium/ medium). In this respect, Laughlin argued that 'middle-range thinking', which reflects German critical theory, is an appropriate approach from which to conduct accounting research, as this methodological perspective helps to

mitigate weaknesses in the other two schools which both stress the subjective-objective aspect.

3.2 Employing an interpretive accounting, case-based approach

As previously mentioned, it has been argued that any research is implicitly underpinned by its philosophical assumptions, and that researchers should address the ontological and epistemological assumptions when justifying the employed methodology (Creswell, 2003; Hopper & Powell, 1985; Ryan et al., 2002). Nevertheless, in practice, employing a certain research methodology can be relatively personal; that is, researchers may not primarily base their selection of a particular methodological approach on underlying philosophical assumptions. Other influences on such a choice can include: publication opportunities, research-grant motivation and constraints, research popularity in specific areas, and/or the influence of a mentor (Lukka, 2010): “Our study suggests that the individual scholar in interpretive management accounting does not evaluate research paradigms primarily from a philosophical standpoint” (Vaivio & Sirén, 2010, p. 131). Furthermore, in practice, specifying the underlying assumptions of methodology is unlikely a concern in the mainstream accounting research. Due to its dominant position, it is as if such justification of conducting a scientific inquiry is unnecessary: “As is typical of Kuhnian normal science, the mind-set goes along the following lines: ‘Why talk about things like paradigms as they are irrelevant – the correct way, the economics-based one, to conduct proper accounting research has already been found?’” (Lukka, 2010, p. 112).

As argued by Vaivio and Sirén (2010) and Lukka (2010), at the outset, I aimed to conduct an in-depth, explanatory case study without being overly-driven by the philosophical aspects of the research. Given my past experience as a member of the operational staff in the case organisation as well as my research access, I initially felt that the chosen research methodological approach, particularly including semi-structured interviews, would greatly assist in creating insightful knowledge about the SSC bookkeeping phenomenon. Holding a view that knowledge is to be gained by developing an understanding of how actors make sense of their actions and interactions in daily operations and construct their reality mainly through interviews and some observation implies that the present

thesis was – initially, probably, unconsciously – placed in the interpretive accounting paradigm (Johnson & Duberley, 2000). Indeed, later on in the research process, and with more appreciation of the various accounting research paradigms, I accepted that interpretive, case study-based research, with subjectivist ontology and epistemology, is appropriate to develop a deep understanding of SSC bookkeeping in practice.

So, with the main purpose of this thesis being to develop an understanding of the rather under-explored area of SSC bookkeeping, the interpretive paradigm was decided to be more appropriate than the other two main paradigms. Indeed, the selection of a research methodology should normally be based on the purpose of research (Ritchie & Lewis, 2003). The mainstream, economics-based approach, which has admittedly been widely more accepted and used in the accounting research community, and which is renowned for its ability to generalise empirical observations, was not selected because the present thesis does not seek to create general laws for prediction, but rather to gain insight into the complexities of SSC bookkeeping in practice. Moreover, the critical perspective is less appropriate to inform the present thesis because the purpose here is to explain, rather than criticise, the SSC bookkeeping phenomenon of which current knowledge is very scarce.

Among the three main accounting research paradigms, the interpretive methodological approach informs the development of deep understandings of the particular phenomenon being investigated (Ritchie & Lewis, 2003; Ryan et al., 2002). In particular, emphasis is on appreciating the socially constructed nature of the phenomenon being studied and exploring it in its organisational context (Ahrens et al., 2008; Hopper & Powell, 1985; Hopwood, 1976, 1987; Humphrey & Scapens, 1996; Laughlin, 1995; Lukka, 2010; Ryan et al., 2002). The subjectivist philosophical assumptions in an interpretive worldview, as opposed to the objectivist philosophical assumptions in mainstream (positive) accounting research, holds that reality is not subject-free and thus, knowledge is to be acquired from interpretation of the social world of the phenomenon under investigation (Ritchie & Lewis, 2003; Ryan et al., 2002):

In other words, people constantly create their social reality in interaction with others. It is the aim of an interpretive approach to analyze such social

realities and the ways in which they are socially constructed and negotiated (Hopper & Powell, 1985, p. 446).

Such concepts in the interpretive paradigm are particularly suitable for producing knowledge of the bookkeeping practice, as it is not a neutral phenomenon, but is socially constructed in nature and can change through time (cf. Chapter 2). Indeed, it is such investigation of SSC bookkeeping *as a social practice* which is embedded in particular organisational settings, from a holistic perspective, that will broaden our knowledge in the field.

Among a variety of research methods in the interpretive paradigm e.g., ethnography, discourse analysis, and survey-based study, the case study method is chosen to produce relevant and insightful knowledge. With the purpose of the study to enhance understanding of the SSC bookkeeping phenomenon, acquiring the 'depth' of the phenomenon being studied and the 'explanatory' mode are essential to create such knowledge (Yin, 2009). In particular, the explanatory case study method suggests studying the ways in which bookkeeping practice interacts with the broader organisation and also outside the organisation, which will help to create a holistic understanding of a particular practice in an actual setting (Ryan et al., 2002):

Here the purpose of case studies is to obtain a better understanding of accounting practice and of the role and functioning of accounting in organisations, including the pressures which accounting exerts and has exerted on it, and the interests it serves and undermines, and to compare the claimed potential of accounting with its practical achievements and consequences (Humphrey & Scapens, 1996, pp. 86-87).

The interpretive, case study method which is adopted in this thesis is different from the case-based approach underpinned by neoclassical economic thought (Scapens, 1990, 2006). In the mainstream (neoclassical economics-grounded) research, a case study is used to generate hypotheses, in turn to produce universal laws which are relevant to real practices, rather than an understanding of accounting practice in broader (social, political and organisational) context.

Importantly, interpretive case-based research is particularly useful for producing knowledge of recent SSC bookkeeping practices, since this viewpoint does not base on pre-research purpose, but allows a research process to shed light on

practice-relevant, interesting issues (Nixon, 2006): “By permitting research questions to emerge from the research process, rather than being predetermined at its outset, it is hoped that they will be more pertinent to the problems of the subjects” (Hopper & Powell, 1985, p. 447). Practice relevance is an important criterion of conducting accounting academic research, which can also increase its respectability to a wider audience (Baldvinsdottir, Mitchell, & Nørreklit, 2010; van Helden, Aardema, ter Bogt, & Groot, 2010).

In this thesis, the research purpose to reveal the complex nature of (SSC) bookkeeping practices in recent times, as presented in Chapter 1, was part-inspired by the preliminary analysis of empirical evidence. As previously mentioned in Chapter 1, I was initially puzzled by what I perceived to be a contradiction between the widely held view of simplified bookkeeping, specifically the socially constructed assumption in the shared services model, and my own personal experiences of a rather complex bookkeeping practice in a particular SSC in South East Asia. However, the investigation of the extent of simplified SSC bookkeeping in practice was not yet central to the designing of the fieldwork. In the initial stages, without detailed empirical evidence, it seemed maybe rather ambitious to challenge what was assumed to be the widely held perception of simplified bookkeeping. Therefore, initially, in the fieldwork, attention was paid to the role (and skills) of SSC employees in maintaining day-to-day operations in the bookkeeping SSC. Then, the theoretically-informed analysis of the gathered empirical evidence, adopting Burns and Scapens’ (2000) framework, highlighted the complexities encompassing SSC bookkeeping in practice and subsequently shaped more consideration of the nature of such complexities.

Also, challenging (the assumption of) the widely held perception of simplified bookkeeping, developed through the research process, demonstrates that this explanatory case study is not merely ‘story-telling’ or “yet another theoretically informed case study” (cf. Burns, in Ahrens et al., 2008, p. 843), a common concern of such approach (Ahrens et al., 2008; Ittner & Larcker, 2002). Rather, by conducting a thorough case study of the organisation in question, the interpretivist approach is also open for ‘thinking in a different way’, a characteristic that is crucial for broadening existing knowledge (Lukka, 2010; Sandberg & Alvesson, 2011).

Moreover, even though the interpretive, case-based approach is usually criticised for its inability to generalise research results, interpretivist researchers have argued that their approach is still capable of generalisation, but rather in a form of contextual generalisation. This means that, in following the interpretive, case-based approach, then refined, theoretical or conceptual knowledge can be further adopted to inform other case studies (Humphrey & Scapens, 1996; Lukka & Kasanen, 1995; Ryan et al., 2002; Yin, 2009). For instance, and as will be discussed in Chapter 7, the theoretically-informed analysis of empirical evidence in this thesis leads to proposals for extension to and use of Burns and Scapens' (2000) framework, and also extends our understanding of organisational routines (Cohen, 2007; d'Adderio et al., 2012; Feldman, 2000). So, such extensions of our existing conceptual knowledge can be further applied to explore other phenomena in the future.

Zimmerman (2001) presented a rather strongly-worded critique on such 'alternative' accounting research, claiming that it *merely* explains practices within organisations and lacks hypothesis-testing, thus failing to contribute substantial knowledge. Such extreme and unhelpful opinion impedes the achievement of broader perspectives of knowledge in the accounting field (Hopwood, 2002; Ittner & Larcker, 2002; Luft & Shields, 2002; Lukka & Mouritsen, 2002). Indeed, grounded in the benefits of such research described above, this thesis posits strongly that interpretive, case-based research contributes significantly to the body of knowledge in its own way. To put things rather bluntly, the useful and unique empirical findings, which will be presented in Chapter 7, for example, would be impossible to glean from an economic-based approach.

In summary, this section has described the ways in which interpretive, case-based research can bring insightful results and contributions to this thesis. Despite this, regrettably, in general the explanatory case study approach does not command much respectability in the wider accounting research community (Yin, 2009). Apart from the issue (or critique) surrounding limitations in terms of generalisation, the explanatory, interpretive case study approach is usually criticised for its lack of rigor (Ryan et al., 2002; Yin, 2009). Therefore, it is essential for any researcher who adopts such an approach to assure readers that

a case study is reliable and credible. In this regard, the next section will elaborate on the various steps taken to establish rigor in the present case study.

3.3 Establishing a *rigorous, interpretive case study*

An interpretive case study involves a high degree of subjective opinions and thoughts. First, unlike quantitative research in which there is an assumption of observers being independent from the phenomena being investigated, an interpretive researcher has a personal influence on the entire research process. That is, an interpretive researcher shapes the research aims and purpose as well as the research design and analysis (Chua, 1988; Ryan et al., 2002; Yin, 2009). Under this approach, knowledge is created through the *interpretation* of a researcher. In other words, an interpretive researcher is not merely a 'message carrier' (Ritchie & Lewis, 2003). Second, the main data collection method in this thesis is interviews, which means that the data for interpretation is acquired from other individuals' perspectives. Such a subjectivist approach is non-acceptable to positivist researchers, who dominate the accounting research community (Kvale, 2007; Ritchie & Lewis, 2003). Therefore, it is important for an interpretivist accounting researcher to establish clear and appropriate procedures that will assure readers of academic rigor throughout the whole research process, in spite of the significant subjectivity involved. So, steps taken to assure rigor and keep any researcher bias to a minimum, when conducting the present research, are described below. The following might be a little descriptive, but is necessary to assure future readers that the knowledge created in this research is well grounded.

The thesis is conducted on the grounds of procedural reliability and contextual validity (Ryan et al., 2002; Scapens, 2008). Procedural reliability refers to the reliability of research process and procedures, whereas contextual validity refers to the credibility of empirical evidence and its analysis. To generate relevant empirical evidence for analysis and to interpret such data in a meaningful, reliable, and credible way, the thesis draws on Burns and Scapens' (2000) institutional theoretical framework to structure the research design and to make sense of empirical evidence. A detailed rationale for drawing on this particular theoretical framework will be provided in Chapter 4. A theory plays a significant

role in any case study research (Anfara & Mertz, 2006; Humphrey & Scapens, 1996; Merriam, 1998). Explanation of causal relationships among empirical phenomena (or evidence) is usually more convincing with a proper theory (Smith, 2011). As will be further demonstrated in Chapter 4, the theoretical lens of Burns and Scapens (2000) provides key concepts for guiding investigation of the SSC bookkeeping phenomenon in the case organisation. In an interpretivist study, there is a two-way relationship between theory and the case study (Lukka & Kasanen, 1995). So, the theoretical lens of Burns and Scapens (2000) will not merely inform investigation of the bookkeeping phenomenon in the case study, but will also be extended based on the findings which are generated from its use (see Chapter 7). Accompanying a theoretical lens, data triangulation is also adopted to help to assure that data generated through the fieldwork is reliable, and that relevant data is covered for analysis (Marthison, 1988). Data for the analysis was thus generated via semi-structured interviews, covering all hierarchical levels, units and functions of the case organisation; there was a thorough review of corporate documentation; and there was observation of the ways people performed their responsibilities and the 'atmosphere' in (and with) which day-to-day operations unfolded. Empirical evidence was obtained from all units in the case organisation, including Galaxy (the main and mature unit), as well as Comet and Meteor (the minor and new units). See Appendix 2 for an organisational chart and Chapter 5 for more details of each unit such as their responsibilities and workforce composition.

The case study fieldwork was undertaken from January to February in 2012. Its launch, or backdrop, comprised a combination of a literature review, my own personal knowledge and experience gained while working at the case organisation, and a theoretical framework (Burns & Scapens, 2000) which would guide, though not entirely dominate, the data collection (Mason, 2002). In designing data collection, to gain insights into the bookkeeping phenomenon in the case organisation, the theoretical perspective of Burns and Scapens (2000) guided the fieldwork to tease out the ways in which employees learned and performed their standardised tasks as well as the mechanisms which supported this continuity (further details will be provided in Chapter 4). To be more specific, in addition to probing into the general background of the case organisation, data

collection was set around themes such as staff performance, learning, compliance to standards, and maintenance of targeted service levels

Semi-structured interviews were the main data collection method for making sense of the bookkeeping phenomenon in the case organisation. It has been argued that semi-structured interviews are crucial for gaining insights into the social worlds of interviewees, as such data collection techniques aid the acquisition of data about personal opinions and experiences (Yin, 2009). According to Miller and Glassner (1997, p. 100), interviews: “provide access to the meaning people attribute to their experiences and social worlds”. In order to have a ‘holistic’ and insightful view of the bookkeeping phenomenon in the case study, interviewees were from all hierarchical levels (ranging from junior employees to the Managing Director), units (Galaxy, Comet, and Meteor) and functions of the case organisation (see Appendix 1 for a full list of interviewees). The total number of interview participants is thirty-five (all of whom signed the consent forms), including staff level employees (seventeen junior employees, five senior employees, a trainer, and a management trainee), employees at the middle management level (seven team managers), and executives (the Human Resource Manager, two quality managers, and the Managing Director).

I specifically requested to interview all executives. Also, in terms of selecting interviewees at operational level, I formally asked five teams of Galaxy, including Account Payable Team 1 and 2, Account Receivable Team 1 and 2, and the Quality Assurance Team, and the teams of Comet and Meteor to participate in my research. The team managers were requested to be interviewed, as well as to choose their senior (where applicable) and junior team members for interviews. SkyHub usually had the limited number of senior positions, and staff had to pass the assessment criteria to be promoted. Therefore, each team had only one senior team member or so. Furthermore, as there was spare time in the fieldwork, there were two additional interviews of staff in Account Receivable Team 3.

Appendix 3 provides the interview questions which were given to interviewees in the interview. Interviews with the executive and middle management levels shed light on the performance of operational employees, in relation to management expectations, as well as the organisational and control mechanisms ensuring

smooth operations and targeted service levels, such as the trainings and monitoring tools. Moreover, the executives and team managers provided information regarding challenges such as a high staff turnover and inexperienced newcomers in daily operations, and the ways in which executives handled such challenges. Interviews with operational employees generated in-depth data about the ways in which they learned and performed tasks, how they felt with their responsibilities, and their relationships with their colleagues and superiors. Surprisingly, such data pointed at a significant complexity in bookkeeping practices and suggested investigation of the extent of simplification and deskilling of SSC bookkeeping.

In respect of document reviews, company manuals and minutes of the meetings of the case organisation and local business units were particularly useful for generating relevant data for interpretation of the extent of simplicity surrounding SSC bookkeeping practices. Information in relation to organisational knowledge was directly obtained from company manuals. There were several types of manuals including the main manual, country-specific manuals (specifying exceptions in each country which were not covered in the main manual), the ERP manual (specifying step-by-step instructions for using the ERP system, e.g., posting transactions, reconciling accounts, and extracting data) as well as the training documentation. In particular, the archival database on ERP technology was a source manifesting 'the way things were actually done' (cf. routines, Burns & Scapens, 2000).

Furthermore, as a way to improve bookkeeping performance and seek for the best practices, the case organisation usually organised a meeting with local business units in a particular country at least once a year to receive feedback, to discuss problems, as well as to find solutions. Hence, review of meeting minutes of the case organisation and local accounting units assisted in obtaining information in relation to actual performance of the case organisation and visioning problems in daily operations. Moreover, local business units, as internal customers or partners (Schulman et al. 1999), got involved in bookkeeping operations in terms of input and output (Stauss, 1995). Communication via email between operational employees and local business units, an official way of coordination, was also a source illuminating the ways in which operational

employees accomplished tasks. Such document review also aided in cross-examination of data obtained through interviews.

Observation was another important source of evidence, as it allowed seeing the interactions at all levels, in a natural setting, as well as the atmosphere of the working environment, and particularly its tensions (Yin, 2009). Observation was carried out via my presence at the company, including sitting with team members performing their daily tasks. And, in relation to validation of the empirical evidence and the findings, the presentation of preliminary findings was provided to the Managing Director. Individual feedback of empirical evidence was not appropriate in the case organisation, as due to the corporate culture of SkyHub that a hierarchical order was accepted, superiors could easily ask to view transcriptions if they were sent to participants:

Maintaining such confidences within an organisation may prevent the researcher from checking the validity of evidence through feedback to the subjects. Other means of checking must then be found (Scapens, 1990, p. 277).

A presentation of preliminary findings which may be useful for the case organisation was offered to the gatekeeper in the process of requesting for research access. A presentation was conducted in a confidential manner, in which information presented was unable to be traced back to participants. To minimise the risk of harm to the company and its employees, anonymity and confidentiality of the company and its employees are strictly respected through the whole process of this research. The feedback from the Managing Director regarding the presentation was; for instance: "I don't see too many surprising things in there, which is kind of a good thing. I believe we have already changed some things. And I think some we just have to continue to improve". Such comment which supported the presentation suggests that empirical evidence being obtained through the data collection is reliable.

In this section, details of conducting the case study have been provided to assure readers that the research process for this thesis was well grounded, and that the empirical data generated through the fieldwork is reliable. The above also mentioned that the thesis is theoretically informed by a lens of Burns and Scapens (2000). Chapter 4 will provide more rationale for drawing on this

theoretical perspective. Nevertheless, there are a variety of theoretical perspectives informing explanatory case studies in accounting research, so the following section will provide a brief overview of alternative theoretical perspectives that are commonly adopted in 'alternative' accounting research (Baxter & Chua, 2003).

3.4 Theoretical perspectives in explanatory accounting case study

In explanatory accounting case studies, theory plays a significant role in shaping the research process, as well as the interpretation of empirical evidence (Anfara & Mertz, 2006; Humphrey & Scapens, 1996; Merriam, 1998). In particular, a theoretically informed explanatory case study can assure readers to a certain extent that it is well-constructed (Smith, 2011). It is generally acknowledged amongst interpretivist accounting researchers that there are a variety of theoretical perspectives drawn on to potentially inform an explanatory case study in management accounting research (Ahrens et al., 2008). One of the reasons is that investigating particular accounting practices or systems in an actual setting can be carried out from different points of view, and that it is a variety of accounting practices and systems in organisations that can require different perspectives of investigation. In the following, there is an overview of theoretical perspectives that have commonly been adopted, namely: structuration theory, institutional theory, and actor-network theory. If nothing else, this brief introduction gives some sense of the different available theoretical lenses which might inform an explanatory case study in accounting research.

To start with, structuration theory (Giddens, 1984) is one of the main approaches in alternative accounting research, which views accounting practices and systems as a social phenomenon (Baxter & Chua, 2003). Structuration theory was initially introduced to accounting research by Roberts and Scapens (1985), as a framework to help to understand a social perspective of accountability and systems within organisations. In brief, structuration theory (1984) focuses on the relationship between structure and agency, in which structures (abstract phenomena) are translated into actions via modalities. In structuration theory, structures of the social world are identified in three dimensions: signification, legitimation, and domination (see Figure 3).

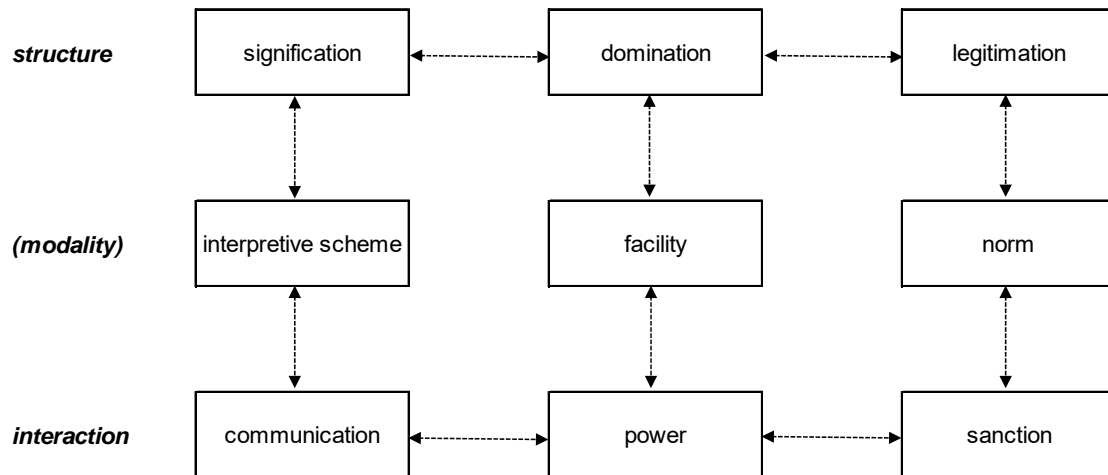


Figure 3. The dimensions of the duality structure.

Source: Giddens (1984, p. 29)

It is possible to analyse these three structures separately; nevertheless, they are interconnected (Englund, Gerdin, & Burns, 2011; Giddens, 1979). For signification structure, social actors communicate the meaning by drawing on interpretive schemes (modality); for domination structure, social actors exercise their power via facility (modality); and for legitimation structure, norm (modality) will inform social actors in regards to which actions are to be rewarded and/or sanctioned. Importantly, despite shaping social actions, structures are actually reproduced *through* social actions, which is called the 'duality of structure and action' (see Figure 3) because social actors are knowledgeable. According to structuration theory, in order to analyse a social system, it is necessary to appreciate this 'recursive' relationship between structure and agency (i.e., interaction). This concept indicates that structure and agency are not the two separate entities but interdependent (Ribeiro & Scapens, 2006). Macintosh and Scapens (1990) proposed that management accounting systems can be considered as modalities of these three structures.

Structuration theory has been widely adopted in the realm of management accounting research for exploring accounting practices and systems in their social, political and organisational contexts (Busco, 2009; Englund et al., 2011;

Granlund, 2001; Gurd, 2008; Macintosh & Scapens, 1990; Roberts, 1990; Roberts & Scapens, 1985). For example, Conrad (2005) illustrated the way in which accounting systems were implicated in the privatised gas industry, by analysing the signification, domination and legitimation structures in three time periods of the gas industry. And, by drawing on the domination structure, particularly the concept of dialectic of control, Uddin and Tsamenyi (2005) demonstrated how and why the new budgeting and performance measurement systems had a minimal impact on performance of the Ghana Food Distribution Corporation (a state-owned enterprise).

Institutional theories from both organisation and economic studies also provide alternative perspectives for interpretive accounting researchers who seek to develop deep understanding of why and how particular accounting practices and systems have become what they have (not) in organisations (Moll, Burns, & Major, 2006). In interpretive accounting research, two strands of institutional theories are usually drawn on to make sense of the ways in which institutions influence accounting practices and systems at macro and micro levels, namely 'new institutional sociology' (NIS) and 'old institutional economics' (OIE). First, NIS is usually drawn on to explain the way in which environments at the macro level shape the adopting of particular accounting practices and systems by organisations (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). Shedding light on the homogeneity of organisational practices and systems among organisations (DiMaggio & Powell, 1991), the concept of isomorphism, including coercive, mimetic and normative aspects, has greatly influenced interpretive accounting research (Abernethy & Chua, 1996; Covalleski, Dirsmith & Michelman, 1993; Granlund & Lukka, 1998; Hussain & Hoque, 2002). In this strand of NIS, rather than highlighting efficiency, organisations are viewed to be isomorphic with institutional environments in order to obtain legitimacy and resources. As an example of accounting research influenced by NIS, Collier (2001) drew on NIS to investigate the influence of external environments on the processes for introducing devolved budgeting systems in the UK police force. Also, Seal and Herbert (2013) employed an NIS lens of isomorphic leanings to explain a trend of establishing SSCs amongst large multinational organisations.

On the other hand, some interpretive accounting researchers who seek to understand accounting practices and systems at an intra-organisational level, will draw on OIE theory. Grounded in the rejection of key neoclassical economics assumptions, in particular the 'rational economic man' and 'market equilibrium', Scapens (1994) was the first to introduce OIE to accounting research. In OIE, it is institutions (i.e., institutionalised rules and routines, assumptions, and values) which significantly influence economic processes and actions (Hodgson, 1998, 2000; Ribeiro & Scapens, 2006). Scapens (1994) proposed that management accounting practices and systems in organisations, being rule-like and routinised in nature (Nelson & Winter, 1982), can be studied from an OIE perspective. In this respect, the assumption that management accounting practices establish rules and routines is made because organisational rules and routines are potentially institutionalised (Burns & Scapens, 2000; Scapens, 1994). Recognising such institutionalised feature of rules and routines is necessary for studying management accounting practices in an OIE perspective.

The concept of institutionalised rules and routines was further developed to explain processes of management accounting change, more specifically in a conceptual framework that is adopted in this thesis (Burns & Scapens, 2000). According to Burns and Scapens (2000), investigating processes of the institutionalisation of rules and routines of particular accounting practices or systems helps to explain how and why those practices or systems are (or, are not) embedded in a particular organisational setting. Some other management accounting researchers have drawn on Burns and Scapens' (2000) framework to explore change in accounting practices over time (Burns, 2000; Soin et al., 2002; Siti-Nabiha & Scapens, 2005; Ribeiro & Scapens, 2006; Lukka, 2007; Kholeif et al., 2007; Yazdifar et al., 2008). As an example, in the case study of Eagle (Siti-Nabiha & Scapens, 2006), a gas processing company, a system of value-based management (VBM) imposed by a parent company did not have a major impact on managers in Eagle in terms of decision-making on cost. The main reason was that the shared taken-for-granted assumption in Eagle was a production orientation, which primarily focused on safety and reliability. Thus, although a decision could be very costly, it had to be made to assure safety and reliability. Also, Herbert and Seal (2012) drew on Burns and Scapens (2000) to illuminate

the transfer of bookkeeping activities from local business units to SSCs, viewed from this perspective as a change in rules and routines.

Third, actor-network theory (ANT) has also strongly influenced explanatory accounting case studies since the beginning of 1990s. However, it has been argued that ANT is not an interpretivist approach, since it concerns constructionism rather than *social*-constructionism (Justesen & Mouritsen, 2011; Latour, 2005). This means that, in ANT, reality is constructed not only by humans, but also by non-human actors. Moreover, ANT denies dichotomies in sociology, such as subjectivity-objectivity, structure-agency and micro-macro. This said, an ANT approach professes many inspiring concepts such as 'network', 'translation', 'fabrication', and 'black box' (Callon, 1986; Latour, 1987, 1999; Law, 1994). The majority of ANT-informed accounting case studies explore accounting change through the concept of translation, particularly inspired by Latour's seminal work (1987) (Justesen & Mouritsen, 2011; Miller, 1991; Preston et al., 1992; Robson, 1991). 'Translation' is a core concept from the ANT approach, which is useful to explain why and how particular accounting practices and systems have become what they have (or not) in an organisation.

The ANT conceptual lens informs that particular accounting practices and systems in organisations are not given, but translated by a network of human and non-human actors (Justesen & Mouritsen, 2011). In ANT, both human and non-human actors, also denoted by actants, partake in the translation process. An assumption that non-humans such as practices, computer systems, and documents can 'act' is a distinct contribution that ANT brings to accounting research. By contrast, other 'alternative' (interpretivist and critical) paradigms of accounting research, rooted in social-constructionism, hold the view that only humans have agency. As an example of ANT-inspired research in accounting change, Briers and Chua (2001) examined the processes of management accounting change, more specifically the implementation of activity-based costing. They found that, when considered as a boundary object, ABC systems created a network of human and non-human actors inside and outside of an organisation, and that such actants influenced the initiative and the implementation of ABC. Apart from accounting change, ANT has also inspired other contributions to the field. Grounded in this key concept of non-human

actors, ANT has shed light on the constitutive role of accounting calculations in creating organisational boundaries (Chua & Mahama, 2007). As an example, Mouritsen (1999) demonstrated that ABC calculations brought about an action of outsourcing of activities. Furthermore, some researchers have used the concept of 'black box' to make sense of the prevailing practices and systems (Jones & Dugdale, 2002). For instance, Llewellyn and Northcott (2005) examined the way a black box of a standard way of measuring cost in hospitals in the UK was established.

The above has briefly considered the 'alternative' theoretical perspectives that have been commonly drawn upon to inform explanatory accounting case studies. Indeed, to develop deep understanding of particular accounting practices and systems in particular actual settings can be carried out from different perspectives. Chapter 4 provides the rationale for employing the Burns and Scapens (2000) theoretical framework in this thesis. But first, the next section will briefly conclude the present chapter by reflecting upon the chosen research methodology for this thesis.

3.5 Reflection

By drawing on an interpretive, case study-based approach, the thesis contribution can be "offering new and fresh perspectives" or "nothing but "flagging" that the study includes an empirical linkage" (Lukka & Kasanen, 1995, p. 75). The contributions of this thesis, as presented in Chapter 1, reflect that this research is not "yet another' theoretically informed case study" (Burns, in Ahrens et al., 2008, p. 843). This thesis presents interesting and valuable findings, since the investigation is premised in rigorous procedures for conducting a case study, and informed by the theoretical lens of Burns and Scapens (2000). Moreover, together with the adopted theoretical lens, I drew from my own knowledge and experience gained in the case organisation to help structure research design, perform the fieldwork, and interpret the empirical evidence generated. The theoretical lens is employed primarily for the purpose of investigating bookkeeping practices in an SSC, rather than necessarily in the interest of the Burns and Scapens' (2000) framework (Humphrey & Scapens, 1996). Such that, anything unexplainable or unclear, while using Burns and Scapens (2000), draws on other literature and

theory as a supplementing input. Moreover, importantly, the key findings generated in the fieldwork which do not 'fit' the Burns and Scapens' (2000) framework are not ignored, but trigger refinement of the said theoretical lens, as is discussed further in Chapter 7 (Humphrey & Scapens, 1996). In the next chapter, the theoretical lens of Burns and Scapens' (2000) 'institutional' conceptualisation of accounting practices, which is drawn upon in this thesis, will be described in more detail.

CHAPTER 4 A THEORETICAL LENS

Humphrey and Scapens (1996) stated that: “A theoretical framework is regarded as an essential starting-point for any case study” (p. 88). With the purpose of developing an understanding of SSC bookkeeping in practice, this thesis draws on the ‘institutional’ theoretical lens of Burns and Scapens (2000) to shape the research process and to interpret empirical evidence. This theoretical framework, popularly used in particular within the management accounting literature, provides concepts which are useful for teasing out the ways in which an organisational practice can become embedded as well as highlighting important actions and interactions involved. In brief, Burns and Scapens (2000) particularly guides this investigation in terms of how operational employees in the case organisation learned and performed standardised bookkeeping tasks. Moreover, since a high staff turnover is a characteristic of SSCs (Cacciaguidi-Fahy et al., 2002), the adopted theoretical perspective helps to examine the ways in which continuity of day-to-day operations was maintained. Such insights broaden understanding of the ways SSC bookkeeping is embedded in an organisational context, which, in turn, also creates a starting point for examining the extent of simplification and deskilling of SSC bookkeeping. However, these areas of interest are inherently connected to the widely held notion of simplified bookkeeping, whereas Burns and Scapens (2000) positioned their framework as an analytical tool to explore intra-organisational practices. And, as such, the following also describes the ways in which the thesis draws on new institutional sociology (NIS) theory as supplement to Burns and Scapens’ old institutional economics (OIE) grounded framework. As will be developed later, what NIS specifically brings to the thesis is a theoretical lens that focuses on the interplay between organisations and macro-level institutions.

This chapter is structured into four sections. Section 4.1 provides an introduction to the Burns and Scapens’ (2000) framework, including an overview of the key concepts and a discussion of the way this theory informs the thesis. In section 4.2, there is a discussion of old institutional economics (OIE) and structuration theory (Giddens, 1984), both of which influenced the Burns and Scapens’ (2000) framework. This detail helps to establish the roots and origins of Burns and Scapens’ framework, including the origins of key theoretical concepts. Section

4.3 describes some of the main concepts in Burns and Scapens (2000), including an institutional realm, rules, and routines. Section 4.3.1 defines 'institutions' and their roles in an organisation. This is important, since the case study investigation hones into the possibility and extent of simplified bookkeeping institutions, and how underpinning rules and routines are reproduced within of the organisation. Then, in section 4.3.2, new institutional sociology (NIS) helps to shed light on linkages between institutions within the case organisation and those at the macro level (e.g., organisational fields and society). This is followed by a discussion of the meaning and (re-)enactment of 'rules' in section 4.3.3, relating this also to standard operating procedures (SOPs), which are rules in bookkeeping SSCs. Next, in section 4.3.4, the concept of 'routines' is discussed, and linkages are made to habits and the specific phenomenon of organisational routines. This section also considers how routines are enacted and reproduced, and how routines can underpin simplicity and/or complexity. Finally, in section 4.4 there is a brief reflection on the employment in this thesis of Burns and Scapens' (2000) institutional theoretical framework.

4.1 Introduction

Burns and Scapens' (2000) institutional framework provides an analytical view of the processes of management accounting (change) at the organisational level. This theoretical lens was originally developed to enhance understanding of why management accounting is slow to change in a rapidly changing environment (Scapens, 2006). The central theme of Burns and Scapens' (2000) framework is that institutions 'matter' within organisations, particularly institutionalised rules and routines, and especially when implementing new management accounting practices and systems. They defined institutions as "the shared taken-for-granted assumptions" (p. 8) in an organisation, which exist in the stock of knowledge of actors as "the way things are" (p. 7). In other words, institutions (i.e., shared taken-for-granted assumptions) implicitly shape social actors' reality.

In conceptualising management accounting change, Burns and Scapens (2000) first explained the stability which is inherent in institutions. They suggested that change which is in line with existing institutions is more likely to succeed and subsequently be reproduced, in contrast to change where there is an

incongruence between the change (e.g., new practices and systems) and existing institutions. That is, if actors view (e.g.) new practices or new systems as an obstruction to the taken-for-granted assumptions of ‘the way things are’, it will likely prove difficult to embed such change within the organisation, and with a potential of resistance to change.

Burns and Scapens’ (2000) framework has been employed by researchers who wish to gather and extend insight into the unfolding processes of management accounting (change) within organisations (Burns, 2000; Busco et al. 2006; Ezzamel & Burns, 2005; Kholeif et al., 2007; Ribeiro & Scapens, 2006; Soim et al., 2002; Yazdifar et al., 2008). This said, their framework could also be applied to the investigation of many other routine-like business practices (Burns, 2000). An overview of the key concepts within the Burns and Scapens’ (2000) framework will now be described in more detail.

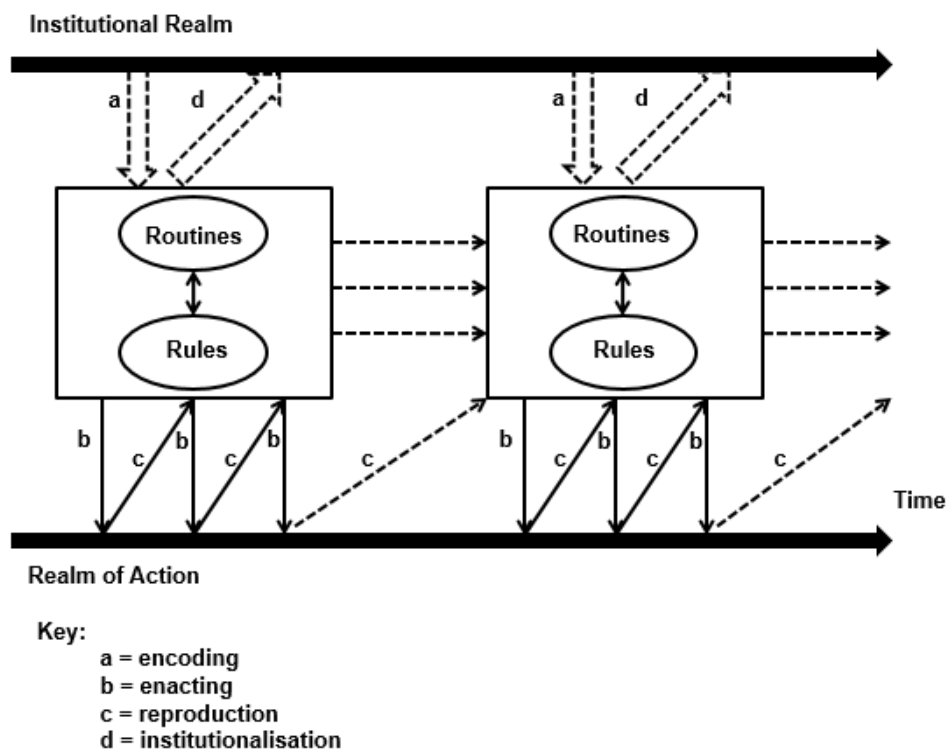


Figure 4. The process of institutionalisation.

Source: Burns and Scapens (2000, p. 9)

The key elements in Burns and Scapens' (2000) framework are the institutional realm, rules, routines, and the realm of action (see Figure 4). According to Burns and Scapens (2000, p. 6), rules are "the formal recognised way in which 'things should be done'", whereas routines are "the way in which 'things are actually done'". The institutional realm comprises multiple institutional phenomena, such as the principles, assumptions, values, and institutionalised rules and routines, some complementary and others contradictory (Burns, 2009; Friedland & Alford, 1991; Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Hodgson, 2006; Thornton, Ocasio, & Lounsbury, 2012). Arrows 'a' and 'b' (see Figure 4) represent how institutions can shape actions. Day-to-day rules and routines encode institutions (arrow 'a' – encoding), and actors draw on the rules and routines which manifest the taken-for-granted assumptions for enactment (arrow 'b' – enacting).

It is important to acknowledge that the relationship between institutions and actions is recursive (Giddens, 1984); institutions are not given but rather socially constructed. In Figure 4, arrows 'c' and 'd' represent a diachronic process. The repetition of actions by actors produces and reproduces rules and routines (arrow 'c' – reproduction), while continuous embedding of rules and routines over time will eventually lead to and reinforce their institutionalised nature (arrow 'd' – institutionalisation). Rules and routines can either be maintained or modified because 'knowledgeable agents' are deemed to know what they are doing, are reflexive, and can always "act otherwise" (Giddens, 1984, p. 14). When rules and routines become widely accepted and rather unquestioned across an organisation or of a "normative and factual quality" (Burns & Scapens, 2000, p. 11), they are said to have become institutionalised (arrow 'd' – institutionalisation).

That said, not every new rule or routine necessarily becomes institutionalised. Reproduced rules and routines continuously affect existing institutions, either reinforcing (i.e., maintenance) or altering (i.e., change) them. In general, consistent reproduction of the same rules and routines will maintain institutions, whereas modified rules and routines could lead to institutional change. It is common to associate the term 'institution' with stability (rather than change), but in an OIE approach, as will be developed in the next section, the potential at least

for change is also an inherent dynamic of institutions (Burns & Scapens, 2000; Junker, 1968). However, institutions are more often than not slow to change, represented by the thick dotted diagonal line of (arrow 'd') in Figure 4.

The various conceptual elements of Burns and Scapens' (2000) framework – e.g., the institutional realm, rules, routines, and the realm of action – are helpful for explaining how organisational practices can become embedded in an organisational context, as well as highlighting individuals' actions and interactions. The starting point of this thesis, theoretically, is to view simplified SSC bookkeeping as institutionalised (or a taken-for-granted assumption) in the case organisation. Then, the following will explore the interrelationship between this taken-for-granted assumption and SOPs (i.e., SSC rules), routines, and various (inter)actions in the case organisation.

More specifically, the Burns and Scapens' (2000) framework assists investigation of the ways through which employees learned and performed the standard bookkeeping tasks, via (re-)enactment of rules and routines (i.e., arrow 'b'). Moreover, the following will also specifically highlight aspects of the continuity of day-to-day operations, through reference to processes of routines reproduction (i.e. arrow 'c'); this in particular is all the more important to understand because high staff turnover is a usual characteristic of bookkeeping SSCs and indeed in the case organisation. Even though this theoretical lens is developed to explore processes of management accounting change, the process of institutionalisation of rules and routines is capable of explaining both stability and change in organisations (Barley & Tolbert, 1997; Burns & Scapens, 2000; Lukka, 2007). And, appreciating how simple or difficult it was for employees to learn and perform routinised and standardised bookkeeping tasks, and the ways through which continuity was assured in daily operations was maintained in the case study, provides a holistic understanding of SSC bookkeeping's embeddedness, and grounding for evaluating the extent of simplification and the deskilling.

The next section will provide further background to OIE and structuration theory (Giddens, 1984), from which Burns and Scapens (2000) drew to build their framework. Such background is also helpful to appreciate the concepts developed in this thesis.

4.2 Inspiration of Burns and Scapens (2000)

Burns and Scapens' (2000) framework was inspired particularly by OIE and structuration theory. Overviews of both fields are thus presented below, to help appreciate the foundations of Burns and Scapens (2000), and particularly where their key concepts originate.

4.2.1 Old institutional economics (OIE)

OIE is a form of heterodox economics, under which it is held that there is no such thing as a 'rational' economic man or market equilibrium. Instead, it is held that it is institutions (i.e. institutionalised rules, routines) which have significant influence on economic processes and actions (Hodgson, 1998, 2000; Ribeiro & Scapens, 2006). The definition of an institution which is commonly found in OIE works is 'a way of thought or action of some prevalence and permanence, which is embedded in the habits of a group or the customs of a people' (Hamilton, 1932, p. 84). In OIE, habits and routines, having historical nature, are key to understanding institutions as well as for comprehending the processes of continuity and/or change in organisations, since both are shaped by and, in turn, *shape* institutions (Junker, 1968; Hodgson, 2008; Ribeiro & Scapens, 2006). Further details of the nature of habits and routines are presented in section 4.3.4 (below).

OIE is criticised by some for lacking methodological consistency and for its core identity (Hodgson, 1998; Junker, 1968; Langlois, 1989; Rutherford, 1994). Still, OIE provides a useful framework for exploring processes of change. In particular, the term 'institution' may suggest stability rather than change; but, in OIE, change is inherent to institutions (Burns & Scapens, 2000; Junker, 1968). Thorstein Veblen, the pioneer of OIE, focuses on the process of "change and resistance to change" and "its cause and consequences" (Junker, 1968, p. 207). Such a view is valuable for making sense of the process of management accounting change. As mentioned in the previous chapter, a study of management accounting via an institutional perspective was preliminarily introduced in the accounting literature by Scapens (1994). He argued that to examine management accounting through

an institutional lens enables us to gain insights into “the production and reproduction of accounting practices” at an organisational level (Scapens, 1994, p. 317). In this respect, to recognise the (potentially) institutionalised feature of rules and routines is necessary; and, therefore, the assumption that management accounting practices establish rules and routines is made (Burns & Scapens, 2000; Scapens, 1994).

4.2.2 Structuration theory

It has been sketched out in Chapter 3 that structuration theory focuses on a relationship between structure and agency, in which structures are translated into actions via modalities. Moreover, the three structures of social world have also been described. The following describes more of the key concepts of structuration theory, and the way Burns and Scapens (2000) drew on Giddens’ work.

The key concepts in structuration theory are: the social structure, social system, and duality of structure (Giddens, 1984). Structure refers to rules and resources which constrain and enable human actions in a particular social setting. It is abstract and exists only in memory of actors; but structure can be observed through recurrent patterns of interaction: “Structure exists only as memory traces, the organic basis of human knowledgeability, and as instantiated in action” (Giddens, 1984, p. 377). Structure makes a social system possible, since it provides a template for interactions in situated time and space (Barley & Tolbert, 1997; Englund et al., 2011). Next, a social system refers to a system of interactions: “Social systems involve regularised relations of interdependence between individuals or groups, that typically can be best analysed as recurrent social practices” (Giddens, 1979, p. 65). Recurrent practices in a social setting manifest structures, but a social setting itself is not structure. Since structure exists out of time and space, it is appropriate to say that a social setting, which is constituted by recurrent practices in situated time and space (i.e., agency), has structural properties.

In structuration theory, the structure of the social world is identified according to three dimensions: (1) signification structure, (2) legitimation structure, and (3) domination structure (see Figure 3). Structure and agency is connected via

modalities, interpretive schemes, norms and facilities. Structures are translated into actions via modalities, which also have a rather abstract nature. Actors draw on modalities to enact actions; however, despite shaping social actions, structures are reproduced through social actions and interactions. This recursive relationship is called the *duality of structure* (see Figure 3). The concept of 'duality of structure' helps theorise how structures (e.g., institutions) are maintained or changed through time (Barley & Tolbert, 1997). Importantly, the duality of structure suggests that particular practices or systems in a social setting are not 'given' (Englund et al., 2011; Ribeiro & Scapens, 2006). Reproduction of actions and interactions can lead to the stability of structures or change in structures. Despite being constrained by structures, actors can act in different ways, since human agents are knowledgeable, purposive, and reflexive (Giddens, 1984). Knowledgeable agents know what they are doing and can describe and rationalise their actions. Moreover, they reflect and monitor their actions and others' actions, which can lead to change in structures at any point in time (Englund et al., 2011, p. 14). Therefore, the *continuity* or existence of structures at any point in time depends on purposive and knowledgeable agents, and their reflexive monitoring of actions in situated contexts.

Knowledge is also important to the continuity of structures: "Structure has no existence independent of the knowledge that agents have about what they do in their day-to-day activity. Human agents always know what they do in their day-to-day activity" (Giddens, 1984, pp. 26-27). In particular, reflexive monitoring involves both explicit and tacit knowledge, since it is impractical for actors to engage discursive consciousness in their reflexive monitoring of action every time (Macintosh & Scapens, 1990). Explicit and tacit knowledge and the reflexive monitoring of action presuppose each other: "The reflexive monitoring of action draws upon and reproduces forms of tacit and discursively available knowledge" (Giddens, 1979, p. 128). Indeed, knowledge plays a significant role in the reproduction of structures.

Furthermore, in structuration theory, routines, underpinned by practical consciousness or tacit knowledge, play a significant role in the continuity of structures:

The concept of routinization, as grounded in practical consciousness, is vital to the theory of structuration. Routine is integral both to the continuity of the personality of the agent, as he or she moves along the paths of daily activities, and to the institutions of society, which are such only through their continued reproduction” (Giddens, 1984, p. 60).

Actors tend to replicate their interactions, since familiar acts make them feel secure; actors rest in ‘ontological security’. This is how Giddens (1984) explains why actors replicate routines. Moreover, social force can occur among actors in a social setting if an actor does not follow the shared taken-for-granted path. It is because actors do not only undertake reflexive monitoring of their own actions, but also others’ actions. Actors have an expectation of their own actions and others’ actions. Thus, if an actor does not act in ‘the way things are’, social forces can ignite to maintain ‘the way things are’.

Burns and Scapens (2000) specifically drew on the concept of the recursive relationship (i.e., interactions) between social structures and the agency of knowledgeable agents, called the duality of structure. Duality of structure means that social structures both shape and are shaped by social actions and interactions. It is a concept which provides middle ground between theories in functionalism (i.e., where social structures are perceived as being given and prominent) and theories of an interpretive stream (i.e., which emphasise the subjective aspect of human conduct and hardly pay attention to social constraint) (Giddens, 1984; Roberts & Scapens, 1985). However, even though institutionalists might acknowledge the recursive relationship between institutions and actions, they tend to focus more on the role of institutions in constraining actions (Barley & Tolbert, 1997). As such, it can be difficult to understand how institutions are stabilised or modified. Thus, in Burns and Scapens (2000), by drawing on the structure-agency relationship, the recursive relationship between institutions and actions is highlighted to help make sense of the processes of management accounting change.

However, the abstract concept of modalities in structuration theory tends to make it difficult for researchers to explain the link between institutions and actions (Barley & Tolbert, 1997). As a consequence, by also adapting the framework of Barley and Tolbert (1997), Burns and Scapens (2000) proposed rules and

routines as modalities between the ‘institutional realm’ and the ‘realm of action’, as shown in Figure 4. Indeed, the concepts of rules and routines (for which further details are provided in sections 4.3.3 and 4.3.4, respectively) enable researchers to have observable focus, which in turn facilitates investigation of the embeddedness of particular practices or systems. In particular, in a SOPs-based organisation such as an SSC, it is anticipated that SOPs are central to individuals’ behaviour patterns (Bangemann, 2005; March & Simon, 1993; Seal & Herbert, 2013).

In this section, OIE and structuration theory, both inspiration for Burns and Scapens’ (2000) framework, have been presented, to help appreciate the roots of their theoretical lens and to understand where certain concepts originated. In the next section, some of the key elements of Burns and Scapens’ (2000) framework are described in more detail, including the institutional realm, rules, and routines.

4.3 Key elements of Burns and Scapens (2000)

The Burns and Scapens’ (2000) framework comprises four main elements, namely: (1) the institutional realm, (2) rules, (3) routines, and (4) the realm of action (see Figure 4). To employ the Burns and Scapens’ (2000) lens in conducting a case study, a holistic understanding of these elements and their interrelationship is essential. Furthermore, since the current investigation is of the extent of simplicity surrounding SSC bookkeeping, as a shared taken-for-granted assumption at a wider level, clarification of how Burns and Scapens (2000) relates to extra-organisational institutions is important. And, as such, this thesis also draws on new institutional sociology (NIS), to consider that part of the institutional realm which Burns and Scapens (2000) possibly did not say so much about.

This section consists of five sub-sections. Section 4.3.1 elaborates on the notion of institutional realm; in particular, it explores the concepts of institution and ‘institutionalised’ rules and routines. Section 4.3.1 also explains in more detail the ways in which the concept of institutional realm is applied in the thesis. Then, in section 4.3.2, there is more clarification around relating Burns and Scapens’

(2000) framework to institutions at the 'macro' level, drawing in particular from NIS theory. Then, sections 4.3.3 and 4.3.4 respectively discuss rules and routines.

4.3.1 The institutional realm

In this section, the notion of institutional realm in an organisation is elaborated. The following describes in more detail the concept of institution, including its meaning, their role in an organisation, and their recursive relationship with agency. Moreover, institutionalised rules and routines, which are important for the continuity of day-to-day activities in an organisation, are further discussed. Then, this section addresses the way in which the concept of institutional realm is to be applied in the case study.

The concept of institution

In Burns and Scapens (2000, p. 8), institutions are defined as: "the shared taken-for-granted assumptions which identify categories of human actors and their appropriate activities and relationships". In academia, there is no consensus on the definition of institutions (Burns & Scapens, 2000; Hodgson, 2006; Scapens, 1994). For instance, the definition of institutions by Hamilton (1932, p. 84) is: "a way of thought or action of some prevalence and permanence, which is embedded in the habits of a group or the customs of a people". Meanwhile, Hodgson (2006, p. 2) defined institutions as: "systems of established and prevalent social rules that structure social interactions". According to March and Olsen (2008), on the other hand, they saw: "An institution is a relatively stable collection of rules and practices, embedded in structures of *resources* that make action possible – organisational, financial and staff capabilities, and structures of *meaning* that explain and justify behavior – roles, identities and belongings, common purposes, and causal and normative beliefs" (p. 691, *emphasis in original*). Besides this, the multiple available definitions of institution are also not restricted to a specific level of analysis; they can apply to different levels of analysis – e.g., organisational, field and societal level.

Despite this variety of definition of institutions, the overlapping feature is an emphasis that 'institutions matter' for shaping actions and interactions of actors in a particular social setting. Institutions provide general principles which have potential to mould anticipated actions and interactions of actors and to shape ways of thinking (Barley & Tolbert, 1997; Giddens, 1984; Hodgson, 2006; Scapens, 1994). Burns and Scapens (2000, p. 11) stated that: "institutions are structural properties", meaning that institutions potentially constrain and enable the actions and interactions of actors (Burns & Scapens, 2000; Giddens, 1984; Hodgson, 2006; March & Olsen, 2008; Ribeiro & Scapens, 2006). As an example, a traffic lights system not only constrains what actors on a road should do, but also enables safe driving (Hodgson, 2006). In addition, institutions are largely tacit in nature (Burns, 2009) and exist only in the stock of actors' knowledge as "the way things are" (Burns & Scapens, 2000, p. 7). With such tacit nature, institutions can be observed via patterns of actions and interactions amongst actors (Hodgson, 2006). This is because "structure exists only as memory traces, the organic basis of human knowledgeability and as instantiated in action" (Giddens, 1984, p. 377).

At a level of intra-organisational analysis, institutions (constituting such elements as institutional principles, assumptions, values, and institutionalised rules and routines) are viewed as central to organisational affairs (Burns, 2000; Kholeif et al., 2007; Lukka, 2007; Ribeiro & Scapens, 2006; Siti-Nabiha & Scapens, 2005; Soim et al., 2002; Yazdifar et al., 2008). In particular, since institutions have the potential to shape actions, interactions, and relations amongst actors, and institutions tend to endure over time, it is generally perceived that existing institutions bring stability to an organisation (Crossan, Lane, & White, 1999; Granlund, 2001): "In part, the durability of institutions stems from the fact that they can usefully create stable expectations of the behaviour of others. Generally, institutions enable ordered thought, expectation, and action by imposing form and consistency on human activities" (Hodgson, 2006, p. 2).

In Burns and Scapens' (2000) framework, the influence of institutions on actions is represented by arrows 'a' and 'b' (see Figure 4). Institutions are encoded in rules and routines, as depicted by arrow 'a'. Next, arrow 'b' depicts the enactment of rules and routines, in which institutional principles are encoded. Thus, arrows

'a' and 'b' indicate that in a particular organisation, actions and interactions are framed by the *existing* institutions (Barley & Tolbert, 1997; Burns & Scapens, 2000). Nevertheless, institutions do not have an absolute influence on actions and interactions. Rather, institutions are generative structures but do not constitute actions per se (Burns, 2009). Moreover, social actors are knowledgeable, purposive, and chronically reflexive, so there is always potential to act in different ways (Giddens, 1984; Englund et al., 2011).

Furthermore, knowledgeable agents play a significant role in terms of existing institutions. As described earlier, knowledgeable agents, and particularly their chronically reflexive monitoring of their and others' actions, are the conditions for continuity of structures (Giddens, 1984). Although institutions usually persist over time, it is also acknowledged that change is inherent to institutions (Barley & Tolbert, 1997, Burns & Scapens, 2000; Giddens, 1979; Granlund, 2001). According to Burns and Scapens (2000, p. 18), "Thus, change and stability are not independent – they are both simultaneously part of the same ongoing processes". The possibility of institutions being modified is also recognised in OIE theory (Burns, 2000; Hodgson, 2000; Junker, 1968; Scapens, 1994); in OIE, change is inherent to institutions. In structuration theory, despite being constrained by structures, actions and interactions of knowledgeable agents, who are purposive and chronically reflexive monitoring of their actions and others' actions, can also re-shape structures at a particular point in time (Giddens, 1984; Englund et al., 2011). Therefore, whereas existing and replicated rules and routines will help maintain existing institutions, modified rules and routines being reproduced can become institutionalised and subsequently modify the existing institutions (Barley & Tolbert, 1997).

Institutionalised rules and routines

In Burns and Scapens (2000), institutionalised rules and routines are emphasised. According to Burns and Scapens (2000, p. 11), institutionalised rules and routines refer to: "rules and routines take on a normative and factual quality, which obscures their relationship with the interests of the different actors" or "the rules and routines become simply the way things are i.e. institutions". This means that when rules and routines are institutionalised, their historical

underpinning is not absolutely necessary for the enactment. The institutionalisation of rules and routines is achieved when actors acquire anticipated-routine actions (or shared habits) (Crossan et al., 1999): “Institutionalising is the process of ensuring that routinised actions occur. Tasks are defined, actions specified, and organisational mechanisms put in place to ensure that certain actions occur” (p. 525). In Burns and Scapens (2000), arrow ‘d’ represents the institutionalisation of rules and routines over time.

In an institutional perspective, rules and routines are deemed as important to the survival of an organisation, as they underpin continuity of day-to-day operations and bring stability (Crossan et al., 1999; Granlund, 2001; Hodgson, 2008; Scapens, 1994). To maintain existing rules and routines and to institutionalise new rules and routines, organisations usually require an environment that supports the enactment and reproduction of rules and routines (Burns, 2009; Crossan et al., 1999; Hodgson, 2008; Yazdifar et al., 2008). According to Hodgson (2008), organisational arrangements should involve both physical elements (e.g., designed work processes and technology) and social elements (e.g., incentives and training). Such mechanisms are put in place to help the processes of enactment and reproduction of rules and routines. Institutionalised rules and routines are maintained, when they are continually reproduced. As shown in Figure 4 (above), the institutionalisation of rules and routines (arrow ‘d’) can occur after processes of enactment (arrow ‘b’) and then the reproduction (arrow ‘c’) of rules and routines. Nevertheless, not all rules and routines are institutionalised; they need, for instance, to be accepted at a broad organisational level. Moreover, the processes of enactment and reproduction of rules and routines can be complex, as will be elaborated in sections 4.3.3 and 4.3.4.

Institutions in the case study

In Burns and Scapens (2000), the process of institutionalisation of rules and routines is emphasised. However, it is important to highlight that in their ‘institutional realm’, although not explicitly stated, other than institutionalised rules and routines, there are other institutional phenomena such as principles, assumptions, and values. These multiple institutional phenomena can be thought of as independent, yet at the same time they are inter-connected, possibly

congruent or contradictory (Friedland & Alford, 1991; Greenwood et al., 2011; Hodgson, 2006; Thornton et al., 2012):

The important point being made here is that the institutional realm in an organisation, comprising multiple and interconnected structural components (including management accounting routines) and representing potentiality in that organisation, will guide actors towards the enactment of particular behaviours in certain situations (Burns, 2009, p. 9).

In Seo and Creed (2002), complexity of the institutional realm is explained through the concept of 'totality', which indicates that there are multiple, independent as much as interweaving, institutions in a social setting; and also through the concept of 'contradiction', which relates to inconsistencies among them:

Second, *totality* refers to the interconnected-ness of these built-up social patterns [...] the component social structures that make up the whole are loosely coupled and more or less autonomous [...] Third, *contradiction* refers to these various ruptures and inconsistencies both among and within the established social arrangements (p. 225, *emphasis in original*).

Also, the concept of institutional 'logics', as will be described further in the next section, also demonstrates complexity of the institutional realm. Such institutional complexity is addressed to aid the interpretation of heterogeneity of organisations or practice variations in organisational fields (Friedland & Alford, 1991; Greenwood et al., 2011; Lounsbury, 2008; Thornton et al., 2012).

Due to a possibility of multiple institutional principles in the case organisation of this thesis, being specific about the institution(s) under investigation helps to focus the research. Thus, based on the purpose of exploring the extent of simplification and deskilling of SSC bookkeeping in practice, the socially constructed and taken-for-granted assumption of simplified bookkeeping in the shared services model is a starting point for investigating the bookkeeping phenomenon within the case study. The thesis will then tease out interrelationships among this taken-for-granted assumption, bookkeeping SOPs (i.e., the rules in an SSC context), routines, and actions and interactions, to interpret that extent. Moreover, attention will be given to mechanisms which maintain institutionalised SOPs and routines over time, since high staff turnover is a characteristic of SSCs.

However, by investigating how far bookkeeping practices are simplified and deskilled in a SSC, the following also challenges the widely held perception of simplified bookkeeping. In so doing, we must acknowledge that Burns and Scapens (2000) stated that their framework provides an analytical concept for *intra-organisational* practices and systems; and their framework has been criticised by some for giving too little attention to *extra-organisational* institutions which can influence (and be influenced by) organisational arrangements (Dillard et al., 2004). And, therefore, the following section will describe how Burns and Scapens' (2000) institutional framework is capable also of relating to institutions at a wider level.

4.3.2 Internal institutions relating to the macro-level institutions

Investigation of the extent of simplification and deskilling of SSC bookkeeping in the case study challenges the perception of simplified bookkeeping at a wider level. It is necessary to explain how the theoretical lens of Burns and Scapens (2000) can relate to macro-level institutions, since this framework primarily focuses on making sense of the *intra-organisational* practices and systems. This thesis thus draws on NIS theory to explore how institutions (or the taken-for-granted assumptions) within an organisation inherently relate to extra-organisational institutions. However, importantly, it is not the intention of the thesis to integrate Burns and Scapens' (2000) framework with NIS theory. In the following, the key concepts of NIS are first presented, to shed light on institutions at a broader level. Then, there is clarification of how Burns and Scapens' (2000) institutional framework is capable of relating to extra-organisational institutions.

New institutional sociology (NIS)

NIS theory is grounded in sociology and focuses on the influence of institutions at the macro level (e.g., governments and professionals) on organisational actions, for instance the implementation of practices and systems (DiMaggio & Powell, 1991; Meyer & Rowan, 1977; Moll et al., 2006; Thornton et al., 2012). In the early days of NIS theory, the influence of institutions on the homogeneity of organisations in the organisational fields received much scholarly attention. However, a trend in examining the role of institutions for heterogeneity amongst

organisational choices (or 'practice variation') has emerged in recent years (Lounsbury, 2008; Thornton & Ocasio, 2008). Both streams of NIS (i.e., homogeneity and heterogeneity) are now summarised, to demonstrate that organisational arrangements such as structure, practices, and systems are not isolated from contexts in which organisations are embedded, but influenced by external institutions to a certain degree.

In the homogeneity stream, NIS emphasises isomorphic processes (i.e., coercive, mimetic, and normative isomorphism), which are assumed to lead to the homogeneity of organisational practices amongst organisations (DiMaggio & Powell, 1991). Coercive isomorphism refers to the influence of powerful parties on organisational actions; and mimetic isomorphism concerns the imitation of successful organisations, which is usually encouraged by consultants. Whereas, normative isomorphism involves organisational actions that are assumed to be influenced by relevant professions. Under this stream, rather than any argument for efficiency, isomorphism is seen to be crucial for the survival of an organisation, since organisations are taken to be situated in institutional environments, and being isomorphic with institutional environments is the 'proper' criterion to obtain legitimacy and resources:

Thus, organisational success depends on factors other than efficient coordination and control of productive activities. Independent of their productive efficiency, organisations which exist in highly elaborated institutional environments and succeed in becoming isomorphic with these environments gain the legitimacy and resources needed to survive (Meyer & Rowan, 1977, p. 352).

To be isomorphic with external institutions means that organisations adopt templates (or 'archetypes') for organisational arrangements, which are general in institutionalised environments (DiMaggio & Powell, 1991; Greenwood & Hinings, 1988, 1996). Such templates for practice provide a set of rules for daily operations. Inefficiency from isomorphism is an issue in NIS; since isomorphism is superior to efficiency, inconsistencies or conflicts can occur. The formal rules guided by external institutions may impede efficiency. Loose coupling and/or decoupling are mechanisms for mitigating any inconsistencies or conflicts which may arise (Meyer & Rowan, 1977): "Institutionalised organisations must not only conform to myths but must also maintain the appearance that the myths actually work" (p. 356). Loose coupling refers to providing some slack between formal

practices and daily operations. Decoupling, on the other hand, refers to where actual practices are different from the formal rules. Loose coupling and decoupling thus enable organisations to gain legitimacy and resources and also to generate efficiency. Notwithstanding, the long-run effectiveness of loose coupling and decoupling is questionable (Seo & Creed, 2002).

As for the heterogeneity stream, scholars emphasise complexity in the institutional realm, to help make sense of variations in organisational practices (Friedland & Alford, 1991; Greenwood et al., 2011; Lounsbury, 2008; Thornton et al., 2012). The argument is that an institutional realm consists of multiple institutions, which are independent, but at the same time they can possibly be congruent or contradictory. For instance, Friedland and Alford (1991, p. 232) argued that institutions at society-level include: “the capitalist market, bureaucratic state, democracy, nuclear family, and Christian religion”. And, because of such plural institutions, it is held that organisations tend to cope with such complexity in different ways.

Meyer and Rowan (1977, p. 356) recognised complexity of the institutional realm in their pioneering NIS-led paper: “institutional environments are often pluralistic, and societies promulgate sharply inconsistent myths”. However, this perspective of ‘plural institutions’ had not been explored to any great extent until the last twenty years (Lounsbury, 2008; Thornton et al., 2012). It is the concept of institutional ‘logics’ which has recently made the study of heterogeneity amongst organisations (or ‘practice variation’) more prominent in NIS. Indeed, the concept of institutional logics has become a significant pillar in social and organisational studies (Greenwood et al., 2011; Thornton et al., 2012). According to Thornton et al. (2012), an institutional logic is: “the socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values, and beliefs, by which individuals and organisations provide meaning to their daily activity, organize time and space, and reproduce their lives and experiences” (p. 2). The concept of institutional logics was first introduced by Friedland and Alford (1991). In this paper, it was raised that legitimacy is not the only or primary concern of organisations in taking actions; but rather, it is institutional logics, deriving from multiple institutions, and which provide a platform for making choices in social settings. Interestingly, Greenwood et al. (2011) extended these

ideas, with a reference to the accountancy profession: “Accounting firms, similarly, are subject to the logic of professional service and, at the same time, the logic of commerce, which again, under certain circumstances might prescribe different actions” (p. 318).

Based on Friedland and Alford (1991), the concept of institutional logics has since been further developed. In particular, scholars point out complexity in the institutional realm and attempt to explain the ways in which organisations respond to such complexity. For instance, Greenwood et al. (2011) developed a systemic guidance to aid the analysis of organisational actions generated in a multiple-institutional environment. Similarly, Thornton et al. (2012) built a framework to demonstrate the way in which institutional logics shape, and are shaped by, organisational actions.

It is beyond the scope of this thesis, however, to go into the finer details of such contributions in the field of institutional logics. The aspects of NIS theory which are most relevant to illuminate the concept of ‘institution’ in Burns and Scapens (2000) are as follows. First, both of its streams indicate that external institutions implicitly underpin organisational arrangements such as structure, practices, and systems to a certain degree. The homogeneity stream emphasises that organisational actions are informed by the institutional environment. Also, the concept of institutional logic suggests that organisational affairs result from the negotiation(s) which a particular organisation makes with the multiple institutional environment in which it is embedded. Hence, this implies that institutions or the taken-for-granted assumptions in an organisation inherently link to societal or field-level institutions. This point is further discussed in the next section, arguing that despite its main focus on intra-organisational institutions, Burns and Scapens’ (2000) framework is still capable of relating to institutions at the macro level.

Second, in particular, the heterogeneity stream, specifically the concept of institutional logic, emphasises multiple institutions in a particular social setting. Even though the concept of institutional logics is usually adopted to make sense of institutions at the field level, it can also be applied to intra-organisation analysis (Thornton et al., 2012). As such, it implies that the institutional realm within an

organisation comprises plural taken-for-granted assumptions. Even though some studies which have drawn on Burns and Scapens' (2000) framework may reflect multiple taken-for-granted assumptions in their cases, the pluralistic nature of institutions at the organisational-level are not really explicitly stressed in that framework. However, recognising multiple institutions at the organisational level allows this thesis to use as a starting-point the constructed and taken-for-granted assumption of simplified bookkeeping in the shared services model, and then to explore ways in which institutionalised rules and routines are maintained in the case organisation.

In this section, the key concepts of NIS theory have been summarised, to provide grounding for broadening the capacity of Burns and Scapens' (2000) framework, particularly in relation to its notion of an institutional realm. The next section will further develop this connection between Burns and Scapens' (2000) framework and extra-organisational institutions.

The clarification

This section begins with Dillard et al.'s (2004) critique of Burns and Scapens' (2000) framework, that the latter views institutions as internally constructed, and thereby ignoring external institutions which can influence organisational practices:

Burns and Scapens conceptualize institutions as sedimentary processes represented in routine practices that have become embedded within the ongoing daily activity of organisational life. The organisational practices are not related to the broader social, economic and political context within which they are grounded and, at times, imposed. As Burns and Scapens (p. 4-5) note, they do not consider the links between the organisational practices and the organisational field, or the possible influence of societal factors or influential actors. There is a need to consider how these influences translate down to the organisations and the actors therein (Dillard et al., 2004, p. 511).

It seems like Dillard et al. (2004) mainly drew on the following statement within Burns and Scapens' (2000) work, to develop their critique:

By institutionalised, we mean that management accounting can, over time, come to underpin the 'taken-for-granted' ways of thinking and doing in a particular organisation (see Mouritsen, 1994). Thus, our concern with management accounting as an institution within the individual organisation

contrasts with existing 'new' institutional sociology research in accounting, which predominately focuses on the effects of extra-organisational institutions (social, economic and political) on the accounting practices of organisations more generally (e.g. Covalleski et al., 1993, 1996; Carruthers, 1995; Fligstein, 1998) (Burns & Scapens, 2000, p. 5).

At a glance, Dillard et al. (2004) seemed to have some grounds for their critique. It is so, for instance, that Burns and Scapens (2000) focused on institutions which are internally constructed through time, to help explain resistance to change, and they state that their framework in this way contrasts to NIS theory, in which the influence of external institutions on organisational arrangements is central to analysis. However, Burns and Scapens (2000) unintentionally gave an impression that institutions within an organisation and organisational practices are isolated from external institutions, as will be further discussed below.

First, Burns and Scapens (2000) did not focus on how external institutions influence the process of 'adopting' change in an organisation, e.g., the implementation of certain practices and systems. Instead, Burns and Scapens (2000) emphasised how change, once implemented or introduced, is played-out within an organisation – that is, the process of 'embedding' change. Interestingly, there have been some studies which attempt to explore management accounting change by drawing on both Burns and Scapens (2000)'s work and NIS theory – for example, Ribeiro and Scapens (2006), Lukka (2007), and Herbert and Seal (2012). Such extant works drew on NIS to make sense of the influence of external institutions on processes of adopting certain practices and systems into organisations, whereas Burns and Scapens' (2000) framework was employed to examine the internal dynamics of how change is played-out in the organisation.

Furthermore, this raises an issue that the framework of Burns and Scapens (2000) does not explain why, how and when institutional change is initiated (Burns & Baldvinsdottir, 2005; Ribeiro & Scapens, 2006). Some have claimed, including Dillard et al. (2004) that Burns and Scapens (2000) did not go into sufficient detail concerning the processes of initiating and triggering change. Their concept of 'idle curiosity', which suggests that despite being framed by institutions or acquiring habits, actors can come up with a new way of thinking, is insufficient for some in terms of understanding the initiation and trigger of change.

Nevertheless, developing a systematic explanation of the process of initiating and triggering change is a common and general challenge of institutional theorists, not unique to Burns and Scapens (2000). For instance, Seo and Creed (2002) made similar claims about a framework of the institutionalisation process, developed by Barley and Tolbert (1997).

Second, there is no part in Burns and Scapens (2000) which specifies that internal institutions and organisational practices are isolated from external institutions. In particular, and on the contrary, the following statement in Burns and Scapens (2000, p. 5) seems to open up the possibilities for links between organisational practices and external institutions, since it is not specified that the term 'institutions' is necessarily restricted to internal institutions:

The starting point for our institutional framework is the recognition that management accounting practices can both shape and be shaped by the institutions which govern organisational activity.

Third, it would be impractical to state that intra-organisational institutions and organisational practices are totally unrelated to external institutions. Since organisations are situated in society, professional fields, etc., it would seem 'natural' that organisational arrangements are influenced by external institutions at least to some extent (DiMaggio & Powell, 1991; Lounsbury, 2008; Meyer & Rowan, 1977; Seo & Creed, 2002; Thornton et al. 2012). Both concepts of 'isomorphism' and institutional 'logics' in NIS theory, as described above, indicate that actions which provide arrangements (e.g., practices and systems) in organisations are more or less influenced by external institutions. According to Thornton et al. (2012, p. 27), external institutions underlie organisational arrangements in organisations, through executives (or "institutional change agents" (Seo & Creed, 2002, p. 236)): "Executives' views on how to best run the corporation were selectively influenced by their professional or functional background in the corporation".

In particular, although institutions are socially constructed, in a social setting there are always existing institutions which provide conditions to shape future actions:

Although structures depend for their existence upon individuals, they are different and distinct. This separation stems from the fact that, for any particular actor, social structure always exists prior to their engagement with the world. Bhaskar (1989: 36) wrote that 'people do not create society.

For it always pre-exists them and is a necessary condition for their activity.’ (Hodgson, 2007, p. 104).

It is unlikely that there are institutions within organisations which are entirely internally-developed, since this would be a very difficult and expensive mission: “Similarly, Clemens and Cook (1999) argue that no institution is created entirely anew; instead, institutions are created and transformed within socially accepted frames or models” (Seo & Creed, 2002, pp. 236-237). This implies that, in particular organisations, existing institutions – which may be seen as internally constructed – actually exist long before. For instance, a subsidiary organisation can convey institutions which have prevailed in the parent organisation for a long time. In this sense, it is reasonable to say that, in Burns and Scapens’ (2000) framework, intra-organisational institutions, practices, and systems inherently relate to external institutions.

Summarising, up to this stage, Section 4.3.1 has elaborated on the notion of institutional realm, to illustrate that in a particular organisational setting, there are existing institutions which shape the actions and interactions of social actors. This institutional realm includes institutionalised rules and routines as well as other institutions in a broad level of the organisation. Section 4.3.2, on the other hand, has demonstrated that intra-organisational institutions are not independent of an organisation’s external environment. That is, institutions (or the taken-for-granted assumptions) in an organisation inherently relate to, or reflect, societal or field-level institutions. In the next section, below, rules, a ‘modality’ or mechanism between the institutional realm and the realm of action, will be discussed.

4.3.3 Rules

In Burns and Scapens (2000), rules are the modality between the institutional realm and the realm of action and also shape (and can be shaped by) routines. To investigate what happens in an organisation, particularly a largely rules-based organisation such as a bookkeeping SSC, rules – or, more specifically standard operating procedures (SOPs) – are helpful concepts, since they are usually observable. In SSCs, SOPs (i.e., task performance rules) are a crucial element because they function not only as work guidelines for employees, but also as a

control medium (Macintosh & Daft, 1987). This section first describes the concept of rules in more detail as well as the process of the 'enactment' of rules (i.e., arrow 'b') in Burns and Scapens (2000). This is then followed by a discussion of SOPs, which are rules in the SSC context.

The concepts of rules

In Burns and Scapens (2000, p. 6), rules are defined as: "the formally recognized way in which 'things should be done'". According to Burns and Scapens (2000), rules are usually expressed in a formal way, referring to formal procedures for performing tasks – e.g., the procedures of budgeting, as set out in a budget manual. Nevertheless, they also acknowledge that not all procedural rules are in such an explicit form (Hodgson, 2006, p. 3). Burns and Scapens (2000) addressed the role of rules in organisations in a broad way, highlighting that they can facilitate co-ordination and coherence among actors. It is said to be for these reasons that rules can help to enhance organisational efficiency, by informing actors what needs to be done, steps to carry out tasks, and who are in the relevant 'contact webs' (Cohen & Llerena, 2003; March & Olsen, 2008; March & Simon, 1993; Nelson & Winter, 1982).

This said, there are many more understandings of what a rule is deemed to represent. For example, March and Olsen (2008) defined rules as follows: "Rules prescribe, more or less precisely, what is appropriate action. They also, more or less precisely, tell actors where to look for precedents, who are the authoritative interpreters of different types of rules, and what the key interpretative traditions are" (p. 693). Whereas, Hodgson (2006) stated that: "The term *rule* is broadly understood as a socially transmitted and customary normative injunction or immanently normative disposition, that in circumstances X do Y" (p. 3, *emphasis in original*).

In Burns and Scapens' (2000) institutional framework, rules are directly interconnected with other elements, i.e., the institutional realm, routines, and the realm of action. First, institutions such as principles, assumptions, and existing, institutionalised rules and routines are encoded into rules. However, not only do institutions have a downward relationship with rules (as depicted by arrow 'a' in

Figure 4 – encoding), but also rules are crucial to the ongoingness of institutions (as depicted by arrow 'd' – institutionalisation). Rules are fundamental to institutions, as institutions are more effective when rules are embedded in the habits of thoughts and actions of actors (Hodgson, 2006; March & Olsen, 2008). Second, in many cases, routines emerge from rules, for instance by following rules or completing rules (Becker, 2004; Burns & Scapens, 2000; Eraut, 2000; Nelson & Winter, 1982; Pentland & Feldman, 2005; Reynaud, 2005). By nature, rules are usually incomplete. There is a part of operational knowledge that remains tacit because it is impossible or costly for an organisation to specify all the necessary steps for accomplishing operational tasks (Feldman & Pentland, 2003; Nelson & Winter, 1982). Moreover, rules sometimes need to be 'open' in order to be adaptive to varying contexts (Feldman & Pentland, 2003; Reynaud, 2005). Reynaud (2005, p. 866) argued that "it is through routines that rules operate". The links between rules and institutions, as well as between rules and routines, are in line with the arguments of Burns (2009, p. 11), suggesting that rules are fundamental to routines and institutions: "Rules can, and often will evolve to underpin routines and institutionalised ways and assumptions over time, but they can also change, or be changed".

Third, actors enact their actions by drawing on rules. Designed rules are provided to guide the way to carry out tasks, with a key purpose being to limit discretion and facilitate co-ordination:

Evolutionary approaches emphasise that in a world where agents differ in their perceptions of the environment, and where communication, acquisition of information, and computation are limited and costly, *co-ordination can only be achieved by means of the definition of a common set of rules, codes and languages which are well understood and shared by all the members of the organisation involved in a certain interaction*" (Cohen & Llerena, 2003, p. 19, *emphasis added*).

Without rules, it would be difficult for actors to efficiently carry out tasks in a complex organisation in limited timeframes (Cohen & Llerena, 2003; March & Olsen, 2008; Nelson & Winter, 1982; Scapens, 1994). For many actors, following rules is perceived as obligation. March and Olsen (1989, pp. 160-161) presented the concept of "the logic of appropriateness" to explain why rules are followed. According to this concept, actors follow rules because they perceive that it is an obligation of their roles in a particular setting. Rules are followed, even though it

is not in interest of or beneficial to actors: “Most actors, most of the time, then, take the rule as a ‘fact’. There is no felt need to ‘go behind it’ and explain or justify action and discuss its likely consequences” (March & Olsen, 2008, p. 693). Similarly, in Burns and Scapens (2000, p. 11), rules are followed because they “take on a normative and factual quality” or “become simply the way things are, i.e., institutions”.

An organisation usually provides mechanisms for rule-following – e.g., incentives and sanctions (March & Simon, 1993). According to Langfield-Smith (1997, p. 208), “MCS [management control systems] provide a means for gaining cooperation among collectives of individuals or organisational units who may share only partially congruent objectives, and channelling those efforts toward a specified set of organisational goals”. However, rules as well as rule-enforcement mechanisms do not guarantee anticipated actions (Becker, 2004; Nelson & Winter, 1982). In the literature, it is generally acknowledged that rules do not dictate anticipated actions (Brunsson & Jacobsson, 2000; Burns, 2009; Giddens, 1984; Lilrank 2003; March & Olsen, 1989, 2008; Pentland & Feldman, 2005; Pentland & Reuter, 1994; Reynaud, 2005). Rules are merely structural: “As Giddens (1984) and others have argued, rules, norms, schema, scripts, and other cognitive artifacts are ‘resources’ for action, but they cannot be understood as *determining* action” (Pentland & Reuter, 1994, p. 491, *emphasis in original*). Moreover, knowledgeable actors can perform in different ways from any designed rules (Giddens, 1984). Nevertheless, in the practitioner world, there does tend to be a general perception that designed rules will determine anticipated actions (Pentland & Feldman, 2008).

Burns and Scapens (2000) addressed three reasons why rules might not be followed. First, actors may consciously not follow rules or question rules if they find that such rules challenge the existing ways of working and thinking. Second, actors may consciously not follow rules if they find certain rules are not helpful in handling particular situations. Third, actors may unconsciously not follow rules because they are unable to sufficiently understand the rules; in other words, where actors lack the capability to enact rules.

Furthermore, rules are not static but rather can change over time (Burns & Scapens, 2000; March & Olsen, 2008). Burns and Scapens (2000) stated that changes in rules will normally occur in a discrete way. Rules are modified, or new rules are introduced when the existing rules are no longer helpful in handling a particular situation – e.g., changing contexts, adopting new technology, and organisational restructuring. Burns and Scapens (2000) addressed two ways in which rules can be modified. First, rules can be modified through top-down implementation, which usually occurs at a discrete level; this is a ‘formal’ change, in Burns and Scapens’ terms. Second, routines which prove to be useful can be codified into rules; however, not all routines will bring about change in rules.

The enactment of rules (arrow ‘b’)

According to Burns and Scapens (2000, p. 10), the processes of enactment of rules (arrow ‘b’ in Figure 4): “may involve conscious choice, but will more usually result from reflexive monitoring and the application of tacit knowledge about how things are done”. By looking at this concept closely, knowledge – *tacit* knowledge in particular – is crucial to the process of the enactment of rules. Even reflexive monitoring requires tacit knowledge. By reflexive monitoring, this means that actors interpret what they are doing, and what others are doing, in situated contexts, to make sense of their own actions; furthermore, they expect others to do the same (Busco, 2009; Giddens, 1984; Ribeiro & Scapens, 2006). The act of reflexive monitoring, in which knowledgeable actors chronically engage, involves both explicit knowledge and tacit knowledge, since it is impractical for actors to engage discursive consciousness in their reflexive monitoring of action every time (Macintosh & Scapens, 1990). Both explicit and tacit knowledge is required for, and results from, the reflexive monitoring: “The reflexive monitoring of action draws upon and reproduces forms of tacit and discursively available knowledge” (Giddens, 1979, p. 128).

Knowledge is required for enacting rules, since ‘judgment’ as well as ‘interpretation’ is inherent to selecting and enacting rules appropriately. Actors have to select appropriate rules which are available, for particular situations; and in turn select appropriate interpretations of those particular rules: “One possibility is that rules are followed but choice among rules and among alternative

interpretations of rules is determined by a consequential logic” (March & Olsen, 1989, p. 25). Due to a number of rules in any organisation, selecting a rule out of the available rules for a particular situation can be complex (Alavi & Leidner, 2001; March & Olsen, 1989).

Enacting rules requires judgment and interpretation, since rules are incomplete by nature, but is conditional on other factors such as the technical dimension, interconnectedness of rules, and contexts (Feldman & Pentland, 2003; Nelson & Winter, 1982):

I claim that rules application (or interpretation) is coextensive to an essential rules property. They are incomplete because each one needs to be applied in the light of knowledge, of information contained in the other rules, as well as custom, and practice, and context. (Reynaud, 2005, p. 850).

Therefore, it should be highlighted that the enactment of rules involves judgment and interpretation, and subsequently require knowledge.

Standard operating procedures (SOPs)

In this section, the concepts of SOPs, which are a crucial element in bookkeeping SSCs, are discussed further. SOPs can be considered as “task performance rules” which inform “specifications of methods for accomplishing whatever task is assigned to an individual member or subgroup of the organisation” (Cyert & March, 1992, p. 122). In general, SOPs are crucial organisational elements, since they provide formal, step-by-step guidelines, inform knowledge, limit ‘discretion’ of employees, reduce uncertainty, and facilitate coordination and control (Cyert & March, 1992; Lilrank, 2003; Macintosh & Daft, 1987):

In order to substitute automatic processes for human operatives, it is necessary to describe the task in minute detail, and to provide for the performance of each step in it (March & Simon, 1993, p. 166)

Organisations usually provide mechanisms for SOPs-following – e.g., incentives and sanctions (March & Simon, 1993). Therefore, in SOPs-based organisations, it is anticipated that SOPs usually guide multiple patterns of action and interaction: “Most behaviour, and particularly most behaviour in organisations, is governed by performance programs” (March & Simon, 1993, p. 163).

In an SSC environment, bookkeeping SOPs in SSCs are designed to limit the discretion of employees in performing tasks (Bangemann, 2005; CGMA, 2012; Cooper & Taylor, 2000; Seal & Herbert, 2013). It is anticipated that in bookkeeping SSCs, with a factory-like working environment, by just following SOPs, employees will not need to engage in a substantial degree of discretion when performing tasks. However, it is recognised that judgment and interpretation is involved in the actual enactment of SOPs. When input data and situational contexts cannot be fully controlled, as well as when the interconnectedness of SOPs is not simple, a degree of discretion is required (March & Simon, 1993; Nelson & Winter, 1982). The interconnectedness of SOPs means that they are not complete in themselves or interdependent from one another, but rather interconnected to a certain degree:

The knowledge contained in the how-to-do-it book and its various supplements and analogues tends to be more adequate when the pace of the required performance is slow and pace variations are tolerable, where a standardised, controlled context for the performance is somehow assured, and where the performance as a whole is truly reducible to a set of simple parts that relate to one another only in very simple ways. To the extent that these conditions do not hold, the role of tacit knowledge in the performance may be expected to be large (Nelson & Winter, 1982, p. 82).

The degree of judgment and interpretation required in the enactment of SOPs also depends on the underlying nature of the jobs. Other than training, which is usually provided in a standardisation environment, organisations facilitate the enactment of SOPs by hiring people who have backgrounds in the particular fields (Cyert & March, 1992):

When a business firm hires an accountant, a dietician, a doctor, or a sanitary engineer, it hires not only an individual but also a large number of standard operating procedures that have been trained into the new member of the organisations by outside agencies (pp. 124-125).

Therefore, it should be highlighted that SOPs for different jobs can be unique and require different specific skills. In addition, since SOPs have been considered as routines by some authors (Becker, 2004), it is important to highlight here that SOPs should *not* be conflated with routines:

We use “routine” to designate established patterns of organisational action and we distinguish routines from “standard operating procedures” which are more explicitly formulated and have normative standing. Thus the working routines of an organisation may or may not be equivalent to its official standard operating procedures (Cohen & Bacdayan, 1994, p. 555).

Routines can emerge in a different way from SOPs, i.e., formal written procedures. Actors can (intentionally or unintentionally) interpret SOPs in a different way from the anticipated, and subsequently those actors build unanticipated cognitive patterns (i.e., understandings) and patterns of actions, leading to deviated routines (Burns & Scapens, 2000; Feldman & Pentland, 2003).

To summarise, this section has described why and how rules are important in daily organisational activity. Rules, specifically SOPs, guide the way tasks should be carried out. However, even though SOPs may limit discretion in performing tasks, judgment and interpretation are inherent to the enactment of rules and subsequently requires knowledge. In particular, SOPs do not necessarily guarantee simplicity, as it also depends on the nature of job, the interconnectedness of SOPs, input data, and situational contexts. Thus, the theoretical lens of Burns and Scapens (2000) informs an investigation of the enactment of bookkeeping SOPs in the case organisation, in particular to understand how simple (or difficult) it is to learn and perform SOPs. In the next section, organisational routines, which are also modalities between the institutional realm and the realm of action and shaped by rules, will be discussed. Moreover, this understanding of routines will help to enhance an understanding of the process of continuity of day-to-day organisational activity.

4.3.4 Routines

In Burns and Scapens (2000, p. 6), routines are defined as “the way in which things are actually done”. However, some have commented that this and other concepts of routines are rather ambiguous (Becker, 2004; Cohen, 2007; Hodgson, 2008). The following provides contemporary knowledge in the literature, concerning the nature of organisational routines. First, the concept of routines is defined and, more specifically, its meaning within this thesis. Then, the life cycle of routines in an organisation is explained, to help to understand the emergence, change and decay of routines. This is followed by explanations of the processes of enactment and reproduction of routines, to help to understand the dynamics of routines over time, and how the learning and reproducing of organisational routines can be complex. Furthermore, even though routines may

imply simplicity in general (Cohen, 2007), the complexity of routines is still recognised (Costello, 1996; Feldman, 2000; Feldman & Pentland, 2003; Lilrank, 2003; Pentland & Reuter, 1994), so there is a discussion also of both simplicity and complexity in routines.

The concept of routines

In general, a common and widely acknowledged feature of routines is the repetition of actions (Becker, 2004; Burns, 2009; Hodgson, 2008). However, in the literature, there is no consensus on the definition of routines, thereby raising its ambiguity (Becker, 2004; Cohen, 2007; Hodgson, 2008). Routines have been in the spotlight of economic and organisational studies since Nelson and Winter (1982) proposed that routines are key to understanding organisational behaviour (Lilrank, 2003). In brief, routines help us to understand organisational behaviour, since it is held that routines bring stability, help coordination and control, minimise uncertainty, and function as knowledge repositories in organisations (Becker, 2004; Lilrank, 2003; Nelson & Winter, 1984). According to Nelson and Winter (1982, p. 97): “It [routine] may refer to a repetitive pattern of activity in an entire organisation, to an individual skill, or to the smooth uneventful effectiveness of such an organisational or individual performance”. Burns and Scapens (2000, p. 6) defined routines as: “the way in which things are actually done”; while Hodgson (2008, p. 7) defined them as: “organisational dispositions to energize conditional patterns of behaviour within an organized group of individuals, involving sequential responses to cues”. Meanwhile, Pentland and Feldman (2008, p. 2) defined routines as: “[...] generative systems that produce repetitive, recognizable patterns of interdependent action carried out by multiple participants”. Despite this (and more) variety in the definition of routines, scholars usually agree on a common feature of routines involving some form of recurrent patterns of actions and interactions among actors (Becker, 2004; Burns & Scapens, 2000; Cohen, 2007; Cohen & Bacdayan, 1994; Cohendet & Llerena, 2003; Feldman & Pentland, 2003; Hodgson, 2008; Nelson and Winter, 1982).

In academia, it is recognised that the concept of routines as ambiguous, and such ambiguity should be appreciated to gain insight into business practices (Becker, 2004, 2005; Hodgson, 2008). According to Becker (2004), in the literature

routines are likely to be treated as: (1) recurrent patterns of interactions, (2) recurrent patterns of cognition (the rules-like), or (3) dispositions of interactions or cognition. These three categories are related. In category (1), routines refer to recurrent patterns of actual interactions. In category (2), routines refer to recurrent patterns of cognition. In this category, Becker (2004, 2005) addressed that some authors may refer to routines as rules, SOPs, and programs; however, it is important to note that recurrent patterns of cognition should be viewed as 'rules-like' rather than objective rules. In other words, routines should not be conflated with objective rules, e.g., SOPs. The existence of recurrent patterns of cognition is subjective to the extent to that actors can interpret rules and SOPs in different ways from those anticipated, and subsequently build different cognitive patterns (understandings) (Feldman & Pentland, 2003). The rules-like is thus 'potentiality' (Burns, 2009). In category (3), by disposition, this means that routines do not absolutely determine specific interactions and cognition but have the potential to trigger interactions and cognition (Becker, 2004; Hodgson, 2008).

The concept of routines is thus ambiguous, since routines have 'actuality' (recurrent patterns of interactions (1)) and 'potentiality' (the rules-like (2) and dispositions of enactment or cognition (3)) dimensions, and both dimensions are related (Becker, 2005; Burns, 2009; Feldman & Pentland, 2003; Hodgson, 2008). In the literature, there is little consensus on whether the term 'routines' should refer primarily to actuality or potentiality. On the one hand, a view of actuality in routines is likely to be adopted in academic literature (Becker, 2004, 2005; Pentland et al., 2010). According to this stream, 'recurrent patterns of actual interactions' is key to gaining insight into routine performance and the 'being' of routines: "In contrast, we argue that for several reasons, behavioral manifestations are the best basis for empirical research on routines. The most obvious reason is that, in the absence of an observable pattern of action, it is impossible to tell if a routine exists" (Pentland et al., 2010, p. 919). On the other hand, this raises the potential appeal of treating routines as potentiality (Becker, 2004, 2005; Hodgson, 2008). Routines do not involve only recurrent patterns of actual interactions, but routines can still exist even though actual interactions are temporarily inactive, such as no interaction after working hours (Hodgson, 2008).

Scholars have suggested that it should be made clear which dimension of routines is being addressed in research, to avoid conflating the actuality and potentiality dimensions (Becker, 2004, 2008; Burns, 2009; Englund & Gerdin, 2008; Hodgson, 2008). Thus, in this thesis, 'routines' are used to refer to the potentiality dimension of routines or "the propensity to act" (Burns, 2009, p. 1); whereas, an actuality dimension of routines will be referred as 'routine actions'. Routine actions refer to those actions in which speed and accuracy are acquired, and interpretation in the (re-)enactment of routines is minimised. Such routine actions are to be acquired through the repetition of action, and through practice and socialisation over time (Cohan & Bacdayan, 1994; Eraut, 2000; Gersick & Hackman, 1990; Kilduff, 1992; Nelson & Winter, 1982; Postrel & Rumelt, 1992; Stene, 1940; Wright & Noe, 1996; Zollo & Winter, 2002).

Routines are viewed as a potentiality in Burns and Scapens' (2000) institutional theoretical framework (Burns, 2009). Such a view of the potentiality dimension of routines is appropriate to help to achieve the purpose of the thesis. Informed by Burns and Scapens (2000), this thesis explores ways in which routines in the case study are reproduced over time (i.e., the continuity of routines) in a dynamic environment, to make sense of the extent of simplified SSC bookkeeping and the deskilling. A high staff turnover rate is a common characteristic of SSCs, and due to a limited staffing budget, SSCs usually employ employees who do not possess ideal skill sets at the entry level. As a consequence, in such circumstances, disruptions in the actuality dimension of routines (i.e. where actual interactions are temporarily inactive) tend to occur during replacement and learning periods. On the contrary, therefore, if routines were to be considered as representing actuality in the thesis, it would be difficult to make sense of the continuity of routines. However, with the concept of potentiality, routines still exist, despite temporarily-inactive interactions. Thus, it is more appropriate here to view routines as potentiality.

The concept of habits

Hodgson (2008) proposed that to appreciate organisational routines, it is also important to understand individual habits; this helps to understand how routines and individual actions are interrelated. Routines and habits are similar to the

extent that they are a propensity to act (Burns, 2009; Hodgson, 2008). However, it is important to note that routines are not habits, since habits involve recurrent patterns of individual actions (Hodgson, 1993). In other words, routines concern a collective level; whereas, habits concern an individual level. Habits are the outcomes of repetition of actions or thought: "Habits are formed through repetition of action or thought" (Hodgson & Knudsen, 2004, pp. 286-287). Routines and habits are related to the extent to which they presuppose each other. On one hand, Hodgson (2008, p. 26) argued that routines are: "structures of interlocking individual habits". Routines are regarded as meta-habits, since in many cases they emerge through organisational arrangements and structure habits (Burns, 2009; Hodgson, 2008). According to Hodgson (2008), routines go into actions through individual habits. On the other hand, the existence of routines underlies the shared habits among a web of actors of that particular routine. Each actor in a web of actors of a particular routine is expected to acquire certain shared habits, and each habit is interconnected to one another in a way which mutually serves the existence of a particular routine:

The transfer of skills from a master to an apprentice is typically a case of habit replication, rather than the replication of routines. For routine replication to occur, not only the individual skills must be replicated, but also the manner in which they are organized together into an effective structured relationship between several individuals (Hodgson, 2009, p. 37).

It is the shared habits of interconnected actors of a particular routine which reproduce or change that particular routine (Barley & Tolbert, 1997; Burns & Scapens, 2000; Feldman & Pentland, 2003). If an actor acquires a new habit which affects a particular routine, and that habit is accepted by other actors in a web of actors of that routine, that routine is then modified. Or, if a web of actors of a particular routine is disturbed such as when an actor leaves, it can affect the being of routine: "The decay of a routine involves the waning of some or all of the interlocking individual habits that are necessary to sustain the routine, or the removal of one or more individuals from the group that performs the routine" (Hodgson & Knudsen, 2004, p. 294). Habits are thus the building blocks of routines (Burns, 2009; Hodgson, 2008).

Routines' life cycle

In a rules-based organisation, routines are normally shaped by organisational arrangements: artefacts (e.g., designed work processes, procedures, and checklists), social activities (e.g., training and on the job training), and incentives (Hodgson, 2008; Pentland & Feldman, 2008). As previously mentioned, routines emerge from rules, such as to follow rules or complete rules (Becker, 2004; Burns & Scapens, 2000; Eraut, 2000; Nelson & Winter, 1982; Pentland & Feldman, 2005; Reynaud, 2005). Routines evolve through a process of selection and retention of past behaviours through time (Cohen & Llerena, 2003; Costello, 1996; Feldman & Pentland, 2003; Hodgson & Knudsen, 2004; Zollo & Winter, 2002); patterns of actions and interactions which prove to be helpful are replicated in a particular setting.

Furthermore, although the recurrence of routines indicates inertia, routines can *change* (Becker, 2004; Burns & Scapens, 2000; Costello, 1996; Cyert & March, 1992; Feldman, 2000; Feldman & Pentland, 2003; Hodgson, 2008; March & Simon, 1993; Nelson & Winter, 1982; Zollo & Winter, 2002). Change in routines can be identified with both exogenous and endogenous changes. As for the exogenous change of routines, this is usually in a form of rule-implementation and new technology, top-down implementation (Burns & Scapens, 2000; Cyert & March, 1992; Nelson & Winter, 1982). It is a formal change in rules, leading to change in routines. In this case, routines change when new shared understandings of new rules are developed as anticipated, and patterns of actions and interactions are changed. However, if new shared understandings of new rules are not developed as anticipated, or patterns of actions and interactions are not changed, resistance to such change usually occurs.

As for endogenous change or informal change (Burns & Scapens, 2000), this usually originates in a change in patterns of actual interactions. Changes in patterns of actual interactions can consciously (or subconsciously) occur; conscious change being when actors find that existing routines no longer help them in handling particular situations (Feldman & Pentland, 2003). Subconscious change occurs if actors do not completely understand existing routines, and/or an organisation lacks sufficient monitoring control (Burns & Scapens, 2000).

However, endogenous change of routines is completed when a change in patterns of actual interactions leads to modification of the shared understandings of particular routines. This means a change in the patterns of actual interactions has to be accepted at a collective level:

When people do new things, whether in response to external changes or in response to reflexive self-monitoring, they alter the potential repertoire of activities that creates and recreates the ostensive aspect of the routine. Variations may be hidden or otherwise go unnoticed. They may be regarded as desirable, or not, by key individuals, such as managers or administrators. They may or may not get accepted as legitimate alternatives to existing practice. In the end, members of the organisation may or may not choose to incorporate variations into the ostensive part of the routine (Feldman & Pentland, 2003, pp. 108-109).

This internal dynamic of routines also helps explain why in many cases variations in enacting routines can be found, yet the routines remain the same.

It is important to note that the emergence, change and decay of a particular routine occurs through (intentional or unintentional) agreements among a 'web of actors' of that particular routine (Becker, 2004, 2005; Cohendet & Llerena, 2003; Feldman & Pentland, 2003; Hodgson & Knudsen 2004; Nelson & Winter, 1982; Zollo & Winter, 2002). Acknowledging that the existence of routines also depends on actors prevents misunderstanding that mere artefacts can assure the ongoingness of routines. A routine emerges because recurrent patterns of actions and interactions which prove to be useful are accepted at a collective level. A routine changes because a web of actors approves newly recurrent patterns of actions and interactions. A routine decays because a web of actors does not enact that routine as often as before or dismisses it. Thus, to appreciate organisational routines, it is important to recognise that a particular routine creates a web of actors and, in turn, a web of actors plays a significant role in terms of the existing routines (Becker, 2004, pp. 646-647):

Each individual employee is connected, through his or her role in a routine to other employees who represent a certain part of the routine. But the complete set of perspectives afforded by the complete set of connections that all organisational routines produce coalesce into an image of the organisation. The network of connections a routine produces can be thought of as the web of perspectives maintained by routine participants. This set of perspectives is likely to lead to collectively shared understandings among routine (and therefore organisational) participants (Feldman & Rafaeli, 2002, p. 315)

A particular routine assigns interconnected sub-routines (i.e., interlocking-shared habits) to actors, and consequently those actors become interconnected. Those actors are not restricted to be in the same space and include actors in broader levels of an organisation as well as the third parties. Thus, actors are also interconnected in a broad sense (Becker, 2004; Feldman & Rafaeli, 2000). Nevertheless, the degree of contact varies among interconnected actors (Feldman & Rafaeli, 2000). Actors, who are interconnected through a particular routine, do not only play a role in their tasks, but also help to create shared understandings and to monitor that others are aware of the actions to be carried out, usually in terms of coordination (Becker, 2004; Feldman & Pentland, 2000). Consequently, interconnected actors help to trigger necessary actions, as well as the acquisition of shared habits of one another:

Because — as this definition implies — organisational routines involve more than one person in more than one interaction, they create the opportunity for connections between people [...] Thus, we define connections as *interactions between people that enable them to transfer information*. Based on previous research we assume these connections enhance the sense of mutual understanding, though not necessarily producing agreement among those connected (Feldman & Rafaeli, 2000, pp. 311-312, *emphasis in original*).

In some senses, routines establish 'truce' (as if an abstract contract) amongst actors, which inform actors to play their roles assigned by the routines (Becker, 2004; Nelson & Winter, 1982). As a consequence, changes in a web of actors (e.g., the turnover of employees) can affect existing routines (Becker, 2005; Cohendet & Llerena, 2003; Nelson & Winter, 1982).

Enactment and reproduction of routines

In the literature, it is acknowledged that routinised tasks have potential to generate simplicity (Becker, 2004; Gersick & Hackman, 1990; Kilduff 1992; Levitt, 1976; March & Simon, 1993; Postrel & Rumelt, 1992; Taylor, 1911, 1964; Weiss & Ilgen, 1986; Wright & Noe, 1996); and that routines play a significant role in the continuity within organisations (Becker, 2004; Giddens, 1979; Lilrank, 2003; Nelson & Winter, 1984). By drawing on Burns and Scapens (2000), this thesis will focus on the ways in which employees learn routinised tasks (i.e., the enactment of routines – arrow 'b' in Figure 4), as well as the ways in which those

tasks continue to be performed even in situations of high staff turnover (i.e., the reproduction of routines – arrow ‘c’ in Figure 4). This helps to explain how simple or difficult it is for staff to learn routinised tasks, and also the (non-)continuity of routines. In this section, and by drawing again on Burns and Scapens (2000) as well as extant literature on organisational routines and knowledge, the processes of enactment and reproduction of routines are further discussed.

As previously addressed, organisational routines are normally shaped and reproduced by organisational arrangements, artefacts (e.g., designed work processes, procedures, and checklists), social activities (e.g. training and on the job training), and incentives (Hodgson, 2008; Pentland & Feldman, 2008). It implies that learning and reproducing routines can be complex. Nevertheless, now and then, it is not a surprise if organisations tend to assure the shaping and reproducing of routines and generate routine actions among employees by mainly relying on artefacts (Pentland & Feldman, 2005, 2008). To have a complete picture of learning and reproducing routines, it is important to note that there are factors other than artefacts, which are crucial to learn, perform and reproduce routines. Repetition of actions and interactions through practice and social interactions over time are also key to acquire routine actions (or shared habits) and to reproduce routines (Cohan & Bacdayan, 1994; Eraut, 2000; Gersick & Hackman, 1990; Hodgson, 2008; Kilduff, 1992; Nelson & Winter, 1982; Postrel & Rumelt, 1992; Stene, 1940; Wright & Noe, 1996; Zollo & Winter, 2002). Repetition of actions and interactions and social interactions are described in more detail in the following.

First, according to Burns and Scapens (2000, p. 10), the repetition of actions and interactions reproduces routines: “The third process (arrow c) takes place as repeated behaviour leads to a reproduction of the routines”. Repetition of actions and interactions through time helps actors to accumulate patterns of actions and interactions in their memory, which is necessary for pattern recognition (Cohen & Bacdayan, 1994; Crossan et al., 1999; Prietula & Simon, 1989). This pattern recognition in turn helps actors to recall appropriate patterns of actions and interactions, which are stored in their memories, or to adjust them in carrying out tasks. In other words, pattern recognition minimises interpretation and underpins

routine actions. In terms of knowledge, where the pattern recognition is developed, tacit knowledge is developed (Crossan et al., 1999).

Repetition of patterns of actions and interactions through time helps to convert explicit knowledge, manifesting in artefacts (e.g., written rules and manuals), to tacit knowledge (Eraut, 2000): “Explicit knowledge starts as slow and consciously modifiable cognition but, with a certain repetition, gradually becomes tacit knowledge” (Nonaka & Krough, 2003, p. 9). Tacit knowledge which is developed through repetition of patterns of actions and interactions through time makes actors know, as if effortlessly or unconsciously, which appropriate actions or decisions should be conducted in a very short time (d’Eredita & Barreto, 2006; Lam, 2000; Nonaka, 1994; Polanyi, 1964; Tsoukas, 1996). This is why when routine actions are developed, speed and accuracy are anticipated (Cohen & Bacdayan, 1994; Eraut, 2000; Postrel & Rumelt, 1992; Wright & Noe, 1996).

Tacit knowledge which is developed through the repetition of actions and interactions over time is crucial to the enactment of routines. In Burns and Scapens (2000), the concept of enacting routines is the same as that of enacting rules – that is, the process of enactment of rules (arrow ‘b’): “may involve conscious choice, but will more usually result from reflexive monitoring and the application of tacit knowledge about how things are done” (p. 11). This means that knowledge, specifically tacit knowledge, is crucial to the enactment of routines (Giddens, 1979; Giddens, 1984; Macintosh & Scapens, 1990). Routines may be perceived as “rules already interpreted” (Reynaud, 2005, p. 866); however, due to a variety in tasks and related routines as well as varying contexts, knowledge is still required to pick and enact routines in the repertory of knowledge of the organisation appropriately:

What is required for the organisation to continue in routine operation is simply that all members continue to know their jobs as those jobs are defined by routine. This means, first of all, that they retain in their repertoires all routines actually invoked in the given state of routine operation of the organisation. There is, however, much more to “knowing one’s job” in an organisation than merely having the appropriate routines in repertoire. There is also the matter of knowing what routines to perform and when to perform them. (Nelson & Winter, 1982, p. 100).

When tacit knowledge is not yet developed, or routine actions are not yet acquired, actors tend to engage 'search' activities:

Search aimed at discovering alternatives of action or consequence of actions. "Discovering" alternatives may involve inventing and elaborating whole performance programs where there are not already available in the problem solver's repertory (March & Simon, 1993, p. 161).

Second, the importance of social interactions in the learning and reproduction of routines is emphasised (Feldman & Rafaeli, 2002; Giddens, 1979; Pentland & Feldman, 2008): "Socialisation should be understood as an element of the continuity of social reproduction" (Giddens, 1979, p. 128). This is because routines embody not only explicit knowledge, but also tacit knowledge. In knowledge research, it is widely held that tacit knowledge is personal, difficult to be transferred, and acquired through real practice and socialisation through time (Crossan et al., 1999; d'Eredita & Barreto, 2006; Lam, 2000; Nonaka, 1994; Nonaka, Toyama, & Nagata, 2000; Polanyi, 1964; Simon, 1991; Tsoukas, 1996): "The replication of individual skills and habits involves the transfer of tacit as well as codifiable knowledge" (Hodgson, 2009, p. 37).

Social interactions are necessary for the learning of routines, since cues from actors in the same web of a routine help an actor to acquire shared habits in forms of imitation, coordination, and feedback (Becker, 2004; Feldman & Rafaeli, 2000). Implicit or tacit knowledge, embedded in routines, manifests in what employees do (Tsoukas, 1996). Thus, repetition of actions and interactions through socialisation (e.g., observation, imitation, and on-the-job-training) helps to transfer that implicit or tacit knowledge from one actor to another actor (Hodgson, 2008; Nonaka, 1994; Tsoukas, 2003). Actors can develop different or same understandings of a particular routine. Communication and interaction within a web of actors for particular routines make actors develop shared understandings of a particular routine (Feldman & Rafaeli, 2000):

Consider some examples where interdependent action is critical: sports teams, military operations, fire fighters, symphony orchestras, and so on. These people get training, they practice together, they get feedback on their collective performance, and they practice together some more. In this way, they build up patterns that they can recognize even from a variety of different perspectives – they build the ostensive aspects of the routine (Pentland & Feldman, 2008, pp. 247-248).

Based on the above, learning and reproducing routines can be complex; the elements of learning and reproducing routines are artefacts, repetition of actions and interactions, and social interactions. Existing routines do not simply 'pass on' or guarantee simplicity in learning. Tacit knowledge is crucial to the enactment of routines. Indeed, the continuity of acquisition of tacit knowledge is crucial to the ongoingness of routines.

The simple and complex dimensions of routines

In general, a routine practice gives a sense of simplicity (Cohen, 2007), and it is perceived at least in the scientific management approach that routinised tasks are simplified (CGMA, 2012; Levitt, 1976; Taylor, 1911, 1964; Wright & Noe, 1996). Limiting discretion and time for performing tasks is widely acknowledged as a key anticipation of organisational routines (Becker, 2004; Gersick & Hackman, 1990; Kilduff 1992; March & Simon, 1993; Postrel & Rumelt, 1992; Weiss & Ilgen, 1986). However, it is important to acknowledge that routines also have a complex dimension and not to underestimate the skills still required for performing routinised tasks. Over the last two decades, empirical research has highlighted that routines involve mindful or effortful repetition of actions and interactions (Becker, 2004; Costello, 1996; Feldman, 2000; Feldman & Pentland, 2003; Lilrank, 2003; Pentland & Feldman, 2005; Pentland & Reuter, 1994). The complex dimension of routines has been recognised in the literature since Pentland and Reuter (1994, p. 488) proposed that the concept of routine is "effortful accomplishments". According to Pentland and Reuter (1994), actors have to put effort into accomplishing routines, even routines in their simplest forms, such as routines in fast-food restaurants.

The view of routines as mindful or effortful accomplishments is in contrast with a view of routines in the traditional and mainly conceptual research, for which routines are generally viewed as mindless or effortless enactments (Becker, 2004; Cyert & March, 1992; Gersick & Hackman, 1990; Stinchcomb, 1990; Weiss & Ilgen, 1986). In this latter view, the enactment of routines is in the form of habitual actions, acquired through past experience, or simply by following already-developed steps (Becker, 2004; Cyert & March, 1992; Eraut, 2000; Lilrank, 2003; March & Simon, 1993; Nelson & Winter, 1982; Stene 1940; Weiss

& Ilgen, 1986). It is beyond the scope of this thesis to explore in great details this debate over the nature of routines.

The approach taken here is to acknowledge that there are different types of routines within and across organisations. An agreed feature of routines which involves recurrent patterns of actions and interactions among actors, as described in the previous section, is so *broad* that the extant literature covers different types of routines (Becker, 2005). This could be one of the reasons why it is difficult for scholars to have consensus on the degree of simplicity and/or complexity in routines. Nevertheless, scholars who view routines as effortful accomplishments recognise that there are routines which trigger mindless or effortless enactment (Feldman, 2000):

To the extent that the routine is “designed” by management, employees should not even think: they should just carry it out. This is the dead routine. Of course, many routines require some thought on the part of participants – they need to interpret rules and make decisions (Pentland & Feldman, 2008, p. 8).

Feldman (2000) claimed that she intentionally chose to study university-housing routines because they are ‘complex’ routines, but also called for research to be undertaken in simpler routines: “Exploring what happens to routines in other conditions is an area for future empirical research [...] Routines performed by people with little discretion seem unlikely to display the kinds of change exhibited here”.

Depending on the task, routines require different degrees of judgment and interpretation (Becker, 2005; Feldman, 2000; Pentland et al, 2010). There are jobs for which the routines tend to engage none or only a minimum of judgment and interpretation (e.g., factory and fast-food restaurants) and those which require a substantial degree of judgment and interpretation (e.g., professional organisations). As in accountancy more generally, bookkeeping routines tend not to require as deep interpretation as do management accounting routines (Baker; 2001; Kirkham & Loft, 1993). Even a particular routine can be a combination of routine and non-routine sub-tasks, requiring different levels of judgment and interpretation (Lilranks, 2003).

Furthermore, the enactment of routines is conditional on input data, the interconnectedness of routines, and situational contexts (Becker, 2004; Hodgson, 2008; March & Simon, 1993; Pentland & Feldman, 2005; Pentland & Rueter, 1994):

The moderately dependable feature of a routine, rule or computer program is not one of predictability but of durability. Routines (or rules or computer programs) are usually conditional on other inputs or events. As a result any predictability does not stem from the routine alone but from the predictability of these other inputs (Hodgson, 2008, p. 7).

For instance, input data in bookkeeping can complicate the enactment of routines. It is because bookkeeping involves a 'variety' of transactions and 'varying' details of transactions, thus requiring judgment and interpretation. Beretta and Dossi (1998) particularly suggested that a variety of transactions is a complex dimension of bookkeeping. Moreover, in posting transactions such as invoices, details of invoices are not necessarily the same, and this consequently generates variations in enactment of posting invoices (Pentland et al., 2010). Thus, it would be inappropriate to assume that bookkeeping routines engage mindless or effortless repetition of actions and interactions. Moreover, it can be anticipated that the less degree of controlling contexts, the more the degree of judgment and interpretation that is required (Lilrank, 2003; Nelson & Winter, 1982).

It is also important to note that accumulated experience or repetition of actions and interactions through time helps to reduce judgment and effort. Experienced actors tend to engage a lesser degree of judgment and effort in adapting to varying, situational contexts better than inexperienced actors do:

Alternatively, research from the perspective of experience-based flexibility suggests that as experience increases, actors develop greater understandings of the routine and its surrounding context (Weick, 1993), which may increase their ability to adjust performances in the face of contextual changes (Turner & Fern, 2012, p. 1408).

To summarise, this section has addressed how the term 'routine' in this thesis refers specifically to the potentiality dimension of routines. Moreover, the above has discussed how the enactment and reproduction of routines can be complex, and how routines are social-organisational elements. Specifically, enacting routines can require a degree of judgment and interpretation, since it is

conditional on the nature of tasks, input data, and situational contexts. Moreover, other than artefacts, social actors and socialisation are crucial to the existence of routines. Therefore, teasing out the ways in which staff learn and enact routines, and how continuity of routines is maintained in the case organisation helps to explain the extent of simplification and deskilling of SSC bookkeeping.

The above has elaborated on some of the key concepts in Burns and Scapens' (2000) theoretical framework – including the institutional realm, rules, and routines. The following section now describes the way in which this theoretical perspective is to be drawn on in order to explore the extent of simplified SSC bookkeeping and the deskilling in the case organisation.

4.4 Reflection

Even though SOPs, which are rules in the SSC environment, have potential to generate simplicity, and the routine feature of bookkeeping practices may give a sense of being low-skilled (Bangemann, 2005; CGMA, 2012; Cyert & March, 1992; March & Simon, 1993; Seal & Herbert, 2013), the above discussion suggests that existing step-by-step instructions (both SOPs and routines) in an organisation do not necessarily guarantee simplicity or easy learning. This chapter highlights that other than following developed steps, enacting both SOPs and routines requires judgment and interpretation, and the degree of judgment and interpretation required depends on the underlying nature of tasks, input data, the interconnectedness of SOPs and routines, and situational contexts. Even scholars with an impression of organisational routines engaging mindless and effortless enactment have acknowledged these important conditions for enacting SOPs and routines (March & Simon, 1993; Nelson & Winter, 1982). Moreover, this chapter has emphasised that, other than artefacts (e.g., SOPs, manuals, and information systems), social actors play a significant role on the learning of SOPs and routines and the existence of routines (such as in terms of coordination). Also, tacit knowledge is important to the processes of enactment of SOPs and routines and the process of reproduction of routines. Therefore, to build up knowledge of the extent of simplification and deskilling of SSC bookkeeping, it is important to tease out these aspects of SSC bookkeeping as well as develop a

holistic understanding of the way in which the SSC bookkeeping practice was embedded in the case organisation.

By drawing on Burns and Scapens (2000), the investigation can start from a premise of the taken-for-granted assumption concerning simplified bookkeeping in the case organisation and then explores the extent to which this assumption shaped day-to-day organisational practice, specifically standardised bookkeeping tasks – including e.g., SOPs, manuals, training and ERP technology. Then, this institutional theoretical lens informs understanding of the processes of enactment of SOPs and routines (arrow 'b' Figure 4), which encoded the taken-for-granted assumption of simplified SSC bookkeeping. This includes the way that staff learned and performed routinised and standardised bookkeeping tasks. Also, Burns and Scapens' (2000) framework helps to make sense of the process of reproduction of routines in a broad level of the case organisation (arrow 'c' Figure 4) – that is, how institutionalised SOPs and routines were maintained. Such exploration is particularly crucial, since the case organisation continuously employed newcomers who possessed lower skill sets, due to a high staff turnover and a limited staffing budgeting (see Chapter 5).

Appreciating how simple or complex it was for operational employees to learn and perform tasks (i.e., enacting SOPs and routines), and the way in which continuity of daily operations was maintained (i.e., reproducing routines), provides a holistic understanding of the way SSC bookkeeping was embedded in its organisational context. This assists in evaluating whether the SSC bookkeeping practice in the case organisation was simplified. Moreover, this chapter has demonstrated that the institutional realm in Burns and Scapens (2000) also inherently relates to extra-organisational institutions; thus, this thesis has potential to extend our knowledge of the SSC bookkeeping practice to a wider extent.

Up to this point in the thesis, the grounds for presenting a theoretically-informed analysis of empirical (i.e., case study) evidence are provided. In chapter 1, the research background, purpose and motivation have been presented. The relevant literature, concentrating on the widely held perception of simplified bookkeeping and the SSC bookkeeping phenomenon, has been reviewed in

Chapter 2; while Chapter 3 has established the research methodology. Finally, this chapter has elaborated on the adopted theoretical lens of Burns and Scapens (2000), which will be drawn on to inform analysis of the case study. In the next chapter, Chapter 5, there will be an introduction to the case organisation, following which (in Chapter 6) the case empirical evidence will then be analysed.

CHAPTER 5 BACKGROUND TO THE CASE STUDY

This chapter provides background to the case study. The case organisation is a bookkeeping SSC located in South East Asia, and at which I was both a member of the bookkeeping staff and (later) a bookkeeping trainer. The Managing Director granted access to the case but chose to preserve anonymity, so hereafter this SSC will be referred to as 'SkyHub'. SkyHub is a subsidiary of a well-known multinational airline organisation, with its headquarters located in Europe. This SSC was chosen as the case organisation, since it had potential to help generate the relevant and necessary knowledge of SSC bookkeeping, given the aims of the present investigation. Specifically, SkyHub represents a SSC in principle, at least as is usually suggested by the shared services literature. It is located in an offshore location and the organisation has a limited staffing budget (Bangemann, 2005; Sako, 2006). Moreover, the main operational unit in this SSC, which is the primary focus of this thesis, henceforth referred to as 'Galaxy', has a high level of standardisation and has reached the 'maturity phase' (i.e., operating for just over eight years at the point of conducting the fieldwork). Importantly, I was also able to draw on the knowledge gained from my own work experience at the case organisation.

This chapter consists of three sub-sections. Section 5.1 offers a general profile of the case organisation. Then section 5.2 presents three key characteristics of the case organisation, namely: (1) standardisation, (2) workforce, and (3) performance measurement. These characteristics are common to the SSC concept (Bangemann, 2005; Schulman et al. 1999). Standardisation underpins the socially-constructed assumption of simplified bookkeeping in the shared services model and is central to SSC's organisational arrangements – e.g., standardised tasks, SOPs, how-to-do manuals, and training. Then, focus on the workforce is necessary, since operational staff are the main informants for developing SSC bookkeeping knowledge, and, in particular, the shared services model specifically suggests the low-skilled workforce. Performance measurement, meanwhile, is important to consider because it plays a significant role in driving the performance orientation in SSCs. Section 5.2 demonstrates that, based on these three characteristics, Galaxy (i.e., the main and mature operational unit in SkyHub) significantly resembles the generally accepted notion

of an SSC. Finally, section 5.3 provides an overall reflection on the following background to the case study in this thesis, a preliminary before a theoretically-informed analysis of the case findings is presented in Chapter 6.

5.1 Profile of the case organisation

As mentioned, SkyHub is a wholly-owned subsidiary of a multinational airlines organisation which is located in Europe. The parent company established SkyHub in South East Asia in September 2003. It is one of the four bookkeeping SSCs belonging to the parent company. The other three SSCs are situated, respectively, in the headquarters' country, East Europe, and South America. According to the Managing Director (an *expatriate*), who was a former team member in the shared services project in the parent company, centralisation was the primary motivation for the creation of these bookkeeping SSCs. Nevertheless, cost reduction and performance improvement, both regularly argued as being principal drivers for establishing SSCs (Bangemann, 2005; Herbert & Seal, 2012), were also benefits of implementing SSCs:

[Parent Company] set up the SSCs about eight years ago, and it was part of the major cost-cutting program. At that time, we analysed our structure and had a look at how we organise our accounting, and how we can become better. The main reason for setting up the SSC was to centralise the accounting, or the service delivery, from the more than 50 decentralised offices we had (Managing Director).

SkyHub consisted of two departments, namely: (1) the financial administration department and (2) the ticket-sales department. Tasks in the financial administration department included keeping records of, and processing, financial transactions; whereas the ticket-sales department had responsibility for ticket-sales-related tasks such as ticket-sales audit and refunds. Since tasks in the financial administration department represented bookkeeping processes in general, this was the main focus of the fieldwork. So, unless stated otherwise, hereafter, 'SkyHub' refers specifically to the financial administration department.

Initially, SkyHub was set up to perform the bookkeeping activities of local operations of the parent company in Asia-Pacific, the Middle-East and North-Eastern Africa. However, from the beginning of 2010, their scope of operations had expanded. The organisation also started to provide bookkeeping services to

the local business units of two other multinational airlines companies in Europe, which were newly acquired by the parent company. These local business units were located in Asia-Pacific and the Middle-East. Thus, SkyHub was comprised of the three bookkeeping units (see Appendix 2), employing approximately seventy-five employees in total, during the period of data collection. Nevertheless, the number of staff in SkyHub usually fluctuated, since staff were continuously leaving the organisation, and quotas for the number of full-time employees in each unit had to be revised. So, for clarification, henceforth, the unit that is responsible for providing bookkeeping services to local business units of the parent company will be referred to as Galaxy; while the other two units which are responsible for bookkeeping tasks of the newly acquired airlines, are called 'Comet' and 'Meteor', respectively.

Galaxy, Comet, and Meteor began their operations in September 2003, February 2010, and August 2010, respectively. Based on the number of full-time employees in the period of data collection, Galaxy was the main operational unit in SkyHub, constituting around 81% of total operations, with Comet at 12% and Meteor at 7%. At Galaxy, there were seven teams; three in accounts-payable, three in accounts-receivable, and the Quality Assurance Team (see Appendix 2); Galaxy had around sixty-one employees in total. This said, over time there had been some changes in the organisational structure of Galaxy, such as regional structures rather than functional structures in the early years. The teams of accounts-payable and accounts-receivable were responsible for day-to-day operational tasks, i.e., bookkeeping activities. On the other hand, the Quality Assurance Team aimed to measure and steer performance, comprising a team manager, two management trainees, and two trainers. Due to a lower number of transactions, Comet had only one operational team (with nine employees), and Meteor also had only one operational team (with five employees). Each operational team in SkyHub usually comprised a team manager, a senior team member, and junior staff.

In respect of its scope of services, Galaxy went through two phases. The first stage, the early years of Galaxy, was when daily operations included back-office tasks, such as data entry, financial transaction-processing, and accounts reconciliations. These bookkeeping tasks were previously performed by local

accounting units in the multiple respective countries. In 2008, after accumulating collective experience and know-how, Galaxy started to enter its new phase, and its scope of services was expanded. From this point, such tasks as issuing invoices and credit notes and keeping in contact with local suppliers and local customers were transferred to Galaxy. Initially, these tasks were considered complicated and sensitive, since it required a communication skill in the local language, and such contact with external parties could affect the brand image. Furthermore, some 'clerical' tasks of accounting and financial management, such as setting the accruals at the month-end and producing standard reports (e.g. input and output VAT reports) (Burns & Baldvinsdottir, 2005), became the responsibility of Galaxy. However, other accounting tasks which required a greater degree of analysis, such as budgeting, remained located at the local accounting units in the various countries. As for Comet and Meteor, they were responsible for data entry, transaction-processing, account reconciliation, as well as maintaining contact with local suppliers and local customers.

To implement the SSCs project in SkyHub, the SAP (Systems, Applications, and Products) R/3 system (i.e., enterprise resource planning, or ERP technology), was chosen, a system which supported the production and use of real-time data across the group organisation. Moreover, even though bookkeeping activities were transferred to SkyHub, local business units, as internal customers or partners (Schuman et al. 1999), were still involved in bookkeeping operations, concerning the activities related the both input and the output (Stauss, 1995). For instance, those local business units, who generated financial transactions, were responsible for scanning source documents to SkyHub for data processing and took responsibility for figures on the financial statements (Herbert & Seal, 2012).

5.2 Important characteristics of the case organisation

In this section, the key characteristics of 'standardisation', 'workforce' and 'performance measurement' within SkyHub are discussed further, in order to set the scene for further analysis of the case study in the next chapter. In section 5.2.1, standardisation in the three units, in particular the SOPs, are presented. This overview of the SOPs in the case organisation particularly will help in the analysis, since they represent 'rules' in the SSC context (Burns & Scapens,

2000). Next, in section 5.2.2, there is more discussion of the workforce, highlighting characteristics of operational staff, recruiting policy, and high staff turnover. Then, in section 5.2.3, the significance of performance measurement in SkyHub is discussed further, with particular focus on the incompleteness of the performance measurement systems and the notion of 'accepting mistakes'. Finally, the following also conveys that Galaxy – the main, mature unit in SkyHub – closely resembles the traditional SSC concept; that is, with evidence of a high level of standardisation, a limited staffing budget and high staff turnover, and a strict performance measurement system.

5.2.1 Standardisation

The three units had different levels of standardisation, as decided by their parent company. Among the three units, Galaxy had the highest level of standardisation, including extensive SOPs and sources of knowledge. That is, extensive bookkeeping tasks were standardised and were specified in details about how to carry out them, e.g., in manuals and via training. Moreover, Galaxy provided several types of manuals: the main manual, country-specific manuals (specifying exceptions in each country which were not covered in the main manual); process charts (informing the way data was organised in each process and sub-processes, and who were responsible for each part); the SAP manual (specifying step-by-step instructions for using SAP technology, e.g., posting transactions, reconciling accounts, and extracting data); and finally, training and workshop documentation. For instance, in processing cash transactions, SOPs, specified in the main and SAP manuals, advised the steps to be taken by operational staff in Galaxy, and the process chart defined input from employees in the local offices (who initiated transactions). The local employees were obliged to provide necessary details to bookkeepers at Galaxy for the processing of the cash transactions. Such cooperation facilitated the accomplishment of such tasks. Furthermore, Galaxy had a variety of training for staff, including basic training sessions and more advanced workshops.

However, the situation was rather different in Comet and Meteor, the new and subordinate units. Neither possessed an ideal level of standardisation, as Galaxy

did. Comet and Meteor did not provide extensive SOPs, for their operational employees to carry out daily tasks, nor any variety of training. The management in SkyHub was aware of the lower level of standardisation in both units, as illustrated in the following quote from the Managing Director:

For example, in Galaxy, they are very strict with rules, regulations, manuals, and KPIs. In Comet and Meteor, they are a lot more improvised, so they do not have those strict rules. Sometimes it is like this. But sometimes it can also be like that.

For instance, whereas Galaxy provided a list of authorisation which specified which staff in local offices had to be contacted for approval in a variety of transactions, in Comet there was only a small number of transactions which were linked with an authorisation list. Consequently, from time to time employees in Comet had to spend time in searching for whom they had to contact for transaction approvals. Limited SOPs in Comet and Meteor was not ideal for daily operations, as it impeded work efficiency. The Managing Director added that SkyHub had yet to find a solution for working with a lower level of standardisation in Comet and Meteor.

5.2.2 Workforce

In a traditional shared services model, labour cost reduction is key to helping to achieve cost savings. The existing literature gives a sense that with standardised bookkeeping tasks, SSCs do not necessarily have to hire staff with an ideal skill set (Bangemann, 2005; Cacciaguidi-Fahy et al., 2002; Rothwell et al., 2011). The following presents that, constrained by the staffing budget, recruitment in SkyHub did not seek 'best' employees such as bookkeeping or accounting experts. Furthermore, this section also illustrates that the case organisation continually faced high staff turnover, similar to other SSCs (Cacciaguidi-Fahy et al., 2002).

To begin with, interestingly, there was diversity in the educational backgrounds of staff in SkyHub, including (e.g.) accounting, finance, economics, marketing, international relations, Japanese language, Chinese language, engineering, and biology (see Appendix 1). SkyHub tended to employ fresh graduates in different fields; the management perceived that bookkeeping tasks in SkyHub could be learned and performed by staff who did not have direct experiences at an entry

level. More specifically, in recruitment in SkyHub, the ability to communicate in the required-languages, especially English, was a priority skill over bookkeeping or accounting experience (Cacciaguidi-Fahy et al., 2002; Lester, 1994): “Basically, priority is English, and the rest is really on characters and attitude and a good logic” (Quality Manager in Galaxy, an *expatriate*). The reason is that English is the corporate language in the group organisation. In SkyHub, the majority of employees are a native of a non-English speaking country where SkyHub is located; only the Managing Director and the Quality Manager in Galaxy are expatriates.

Besides, there was an additional requirement for staff who were responsible for transactions of non-English speaking countries – e.g., Japan, Korea, China, and Afghanistan. It was important for those staff to be able to communicate in the local language, to facilitate accomplishing tasks, such as reading local invoices and contacting local third parties. In general, however, accounting graduates are not necessarily proficient at foreign languages (Boyce, 2004): “First, it must be stated that the education of accountants does not emphasise language learning” (Cacciaguidi-Fahy et al., 2002, p. 111). Therefore, SkyHub turned to recruits who were best able to communicate in the required languages, rather than candidates with a background in bookkeeping or accounting. In addition, the management promoted staff based on assessment criteria, including outstanding performance and English-language skills in particular, rather than seniority.

The Managing Director said that hiring staff also depended on the availability of candidates in the labour market at the point of recruitment. In particular, SkyHub did not offer a competitive salary for employees at the operational level; recruitment was indeed constrained by a limited staffing budget (Cacciaguidi-Fahy et al., 2002). Hence, SkyHub did not aim to recruit employees possessing an ideal skill set, such as a solid background in bookkeeping and/or required language skills. Furthermore, in recent years, the management had become less interested in hiring accounting and finance graduates as well as bookkeeping and accounting experts because it was perceived that employees with such background tended to leave the organisation quickly. Having said that, at least for supervisory positions, the management preferred to employ candidates who possessed some accounting background.

The management relied on products of standardisation (e.g., fragmented tasks, SOPs, training, and manuals) and ERP technology, to ensure that staff having little or no bookkeeping or accounting background were able to perform, as conveyed in the following comment from the Human Resource Manager:

I do not think it [the rate of salary] is the worst – it is about average. But, we know that the airlines business is not the best payer – we are not ExxonMobil. But I'm not *that* concerned about performance. I believe people can be trained. I believe that all of our employees have the potential, because they passed our screening. About the job in practice, I rely on training, because I think our standards are good.

Even though the case organisation may benefit from labour cost reduction, such limited staffing budget was part of the cause of high staff turnover. The turnover rate of employees was approximately 25% per year. There were actually several reasons which incited staff to leave SkyHub, such as narrow career paths, uncompetitive salaries, boredom, and simply overall dissatisfaction with the bookkeeping job. Nevertheless, management continued to be generally of the view that the main reason which drove employees to leave SkyHub was uncompetitive salaries. In particular, from time to time, the case organisation lost experienced staff to a different SSC which offered a higher salary:

We quite often face a situation where we train staff and they stay with us for about one year, and then they go to another company. Maybe this is because they get double the pay (Managing Director).

As they had a limited staffing budget and continually faced high staff turnover, SkyHub almost resigned to taking on newcomers with a lower skill set. In addition, grounded in the high staff turnover and the employment of staff with little or no bookkeeping or accounting background, it was not uncommon to see a rotation of experienced staff. That is, quite regularly, a vacant position would be filled by a skilled employee already in situ, while a newcomer would assume the responsibilities of this 'rotated' member of staff. It was generally perceived amongst the managers that such rotation of personnel could 'best' mitigate the impacts of high staff turnover.

5.2.3 Performance measurement

Performance measurement is a fundamental feature of any SSC, as it gauges how they are doing (against targets) and also drives staff performance (CGMA,

2012). In particular, through performance measurement, SSCs prove their worth within a group organisation (Kris & Fahy, 2003). The following describes the performance measurement systems in SkyHub, as well as providing an overview of the actual staff performance. This is followed by two other aspects of performance measurement in Galaxy (the primary focus of this thesis), namely: (1) the incomplete nature of performance measurement, and (2) the notion of 'accepting mistakes'. Understanding the way in which staff performance was measured and the relevant aspects of performance measurement helps as background to the analysis of the case organisation in the next chapter.

The performance measurement systems

The management emphasised work performance amongst its employees, since SkyHub was in turn obliged to meet targeted service levels, as were specified in their various agreements with clients (Bangemann, 2005; Bergeron, 2003, Cacciaguidi-Fahy et al., 2002; Quinn et al., 2000; Schulman et al., 1999). It was a performance-oriented management approach in SkyHub, particularly in Galaxy: "Quality has been the driving force for [Parent Company] in setting up SkyHub since day one" (Managing Director). The Managing Director added that accuracy, timeliness, and the number of unfinished and unreconciled transactions defined "quality". The headquarters of Galaxy translated such criteria of quality into key performance indicators (KPIs), including measures for accuracy and timeliness of data entry; and a system of counting the number of unfinished or unreconciled transactions in general ledger accounts (or called 'open items'), in which the low number of open items were targeted (see more detail in Chapter 6) (Johnston, Clark, & Shulver, 2012). Both KPIs and counting the number of open items in accounts were the main performance measurement systems in Galaxy.

Management implemented monitoring tools (e.g., transaction reports and checklists) and incentives (e.g., a team bonus) to drive the targeted service levels (Hodgson, 2008; March & Simon, 1993). Moreover, they annually reviewed the employee incentive scheme, to encourage employees to deliver the targeted service levels. For example, the 95% KPI target of timeliness, the 98% KPI target of accuracy, and the targeted number of open items in particular accounts were specified in the employee incentive scheme, as team targets. Employees in a

team would be entitled to receive a monthly team bonus if 95% or more of their team documents, processed in a particular month, were executed within specific time frames; 98% or more of data entry of their team's captured samples (5% of a population) were accurate; and the targeted number of open items in particular accounts were reached. Comet and Meteor had similar performance measurement systems. However, these were imposed by the management of SkyHub, rather than the parent companies of Comet and Meteor. Those parent companies were less strict with performance measurement.

In general, both the Managing Director and the Quality Manager in Galaxy were happy with the performance of their staff, based on the KPIs results and the reduced number of open items (or unreconciled transactions) in accounts. In respect of Comet and Meteor, the Managing Director and their Quality Manager were not yet satisfied with staff's performance. They stated that operations of both teams were not yet stable, and that it could be said that both units were still in the implementation period. However, even though the management in Galaxy were satisfied with staff performance, they were also aware of some weak points in their manpower. For instance, the management showed concern about other things which were *not* measured – e.g., actual task knowledge and the problem-solving skills. In the following, the incomplete nature of performance measurement and 'accepting mistakes', which were characteristics of Galaxy, are discussed and convey that good performance measurement results did not necessarily reflect the whole situation, or that Galaxy could guarantee smooth day-to-day operations.

The incomplete nature of performance measurement

The management in Galaxy recognised that results of the quantitative measures, particularly the KPIs system, did not give a complete picture of employee performance. There are four reasons for this incompleteness of performance measurement, as follows. First, it was generally acknowledged by the management that there were other important aspects of performance which were not being measured by the KPIs and open items systems, and that it was insufficient to evaluate workforce performance based on output figures only. More specifically, the ways in which employees carried out tasks and their actual task-

knowledge were not completely reflected through the performance measurement results. For instance, a team member was able to achieve the targeted number of open items in complicated accounts because of assistance from other colleagues. Therefore, to evaluate staff performance, the management in Galaxy also took into consideration the behaviour of employees during the provision of services (Zeithaml, Berry, & Parasuraman, 1988): "Individual quality is measured by both the individual KPIs and also the performance appraisal. How do they deliver the results? You may have 100% of KPIs, but under what kind of behaviour. Then it goes through performance appraisal" (Quality Manager in Galaxy).

Second, the KPIs had limitations because of the sample size and the process of checking. For instance, unlike the KPI for timeliness, for which all electronic documents in the SAP system were captured, the sample size of the KPI for accuracy was only 5% of the population: "The good KPI results do not necessarily mean we are 'good', because it is random sampling. Errors may not be detected, because of the small sample size" (Team Manager in Comet, Interviewee #26, a former Team Manager in Galaxy). Moreover, a mistake could be detected and corrected before checking the KPI. It was quite common that an employee made some mistakes but delivered a good 'accuracy' score in that KPI. This could happen (e.g.) if those mistakes were not captured by the accuracy KPI, or if someone detected a mistake and corrected it before the KPI system for accuracy captured the relevant sample. The latter was possible because the KPI system for accuracy would involve randomly capturing transactions at the end of the month.

Third, the accuracy KPI was not purely objective. As mentioned above, the accuracy KPI approach involved randomly capturing samples, but it was individuals who checked the accuracy of those samples. This was unlike the 'timeliness' KPI which was entirely carried out by the system. For the timeliness KPI, there was binary logic. If a document was not processed within the relevant time frame, it was detected as an error. Whereas, the results of the accuracy KPI depended not only on how accurate employees were, but also on how strict and knowledgeable the KPI checkers were. Since the accuracy KPI was not purely objective, this allowed employees to exercise their power (Giddens, 1984), even

to manipulate the KPI results, for example by asking the accuracy KPI checkers to remove any errors: “I asked them a favour for a small error. I sent them a personal email to ask if they could please take out the KPI error. And they did; they took it out for me” (Team Manager in Galaxy, Interviewee #10, a former staff in Galaxy).

Fourth, the criteria for KPIs were not fixed but changed over time. For instance, in the past, invoices had to be processed within two days; however, in 2010 the timeframe for processing invoices was changed to five days, for teams which took on more tasks from local accounting units. Thus, this made it harder to compare relative performance at different times. Nevertheless, the criteria of performance measurement rarely changed.

Accepting mistakes

Interestingly, even though achieving the performance targets was important in Galaxy, and the management in general claimed that they were happy with results, ‘accepting mistakes’ was a frequent characteristic in the organisation (CGMA, 2012). This notion of accepting mistakes refers to management’s tolerance of unplanned and undesirable outcomes – e.g., mistakes which could lead to inaccuracies in account coding and cost allocation, fines for late payments, and carrying out money transfers using the wrong currency. Accepting mistakes reflected that staff did not always deliver the desired performance, as is suggested in the following comments from the Managing Director in Galaxy:

In general, it is always acceptable. Even today it is acceptable if they do not deliver a good KPI. But the question is always ‘why’? We have to search for the root cause. And even now, last year we had several months where we did not have good KPIs in cash transaction processing. So [Quality Manager in Galaxy] and her teams spent a lot of time in really investigating what the root cause was [...] So a KPI error is just like a symptom, but we actually have to cure the disease and not the symptom.

However, accepting mistakes did not mean that management compromised in terms of poor performance. Rather, they were being realistic that inexperienced employees, particularly newcomers, had to take some time to become skilful. For instance, there was an extreme case in 2011, where an inexperienced employee did a double payment of an equivalent amount of one million euros. The money

was claimed back, but it inevitably took energy from that staff member and her Team Manager. And, more to the point, this error-prone employee did not receive any sanction.

One reason for the tolerance of mistakes was that not every mistake could be detected. In other words, mistakes did not always affect the service levels, due to random sampling, small sample sizes, and early detection (as described above). This said, the management certainly did not want mistakes; and, although mistakes may not affect the service levels, they could still be detected by internal and external auditors. Moreover, mistakes could jeopardise and undermine the reputation of Galaxy within the group organisation. Consequently, the management worked on developing monitoring tools that would help to detect mistakes – e.g., additional reports and checklists. So, it can be said that while management did not want mistakes, they could accept them if they were unintentionally made.

In this section, the important case study features of standardisation, workforce, and performance measurement have been described, to provide grounding for the case analysis in the next chapter. In particular, it has been highlighted how these characteristics (within Galaxy) closely resemble the mainstream notion of an SSC. This chapter is now closed with a brief reflection on this general background to the case, before the analysis in Chapter 6.

5.3 Reflection

This chapter has provided a brief profile of the case organisation, including some important and specific characteristics. Understanding such context of the case study will help as background for the theoretically-informed analysis that follows next. The chapter has demonstrated that in several ways, Galaxy resembles a SSC model in principle. For instance, there was a high level of standardisation, in particular extensive SOPs. Moreover, Galaxy had high staff turnover and usually hired newcomers who possessed low skills. Also, there was a strong performance orientation in Galaxy, including strict performance measurement systems. However, Comet and Meteor were different, having less standardisation and a lower degree of performance orientation.

Empirical evidence obtained from all of the units suggested a complexity in the learning and continuity of day-to-day operations. The complexity of SSC bookkeeping in the two smaller units is not so surprising, since they had a lower standardisation and were rather new. However, it is maybe surprising that Galaxy, the main and mature unit, with more standardisation, was still exposed to much complexity in the learning for and continuity of day-to-day operations. Nevertheless, the continuity of day-to-day operations and the agreed service levels were mostly maintained in Galaxy, whereas staff performance was not stable and KPIs fluctuated in the other two units. Therefore, the theoretical analysis in the next chapter will attempt to explain and make sense of some of the dynamics involved in Galaxy.

In the next chapter, the empirical evidence obtained from the fieldwork, mainly in Galaxy, will be interpreted by drawing on Burns and Scapens' (2000) institutional theoretical framework. The analysis will particularly tease out standardised bookkeeping tasks and emphasise how staff without ideal backgrounds learned to perform the various bookkeeping tasks, and the ways in which Galaxy, with its high staff turnover, maintained continuity of day-to-day operations.

CHAPTER 6 CASE ANALYSIS

In this chapter, the empirical evidence obtained from the fieldwork is interpreted by drawing primarily on the theoretical lens of Burns and Scapens (2000), as described in Chapter 4. The following analysis focuses principally on SSC unit, Galaxy. Gaining insights into Galaxy assists in creating meaningful, relevant knowledge of bookkeeping SSCs, as this operational unit closely resembles the traditional notion of an SSC. It operated with a relatively high level of standardisation, had a limited staffing budget, continuously dealt with high staff turnover, and was highly performance oriented. Guided by Burns and Scapens (2000), the analysis here aims to develop understandings of the ways in which staff performed bookkeeping tasks in a standardisation working environment and, in particular, the learning process for staff who did not possess an ideal skill set at entry level (i.e., the enactment of SOPs and routines), and how the continuity of day-to-day operations was maintained in a situation of high staff turnover (i.e., the reproduction of routines). The investigation explores the ways through which staff handled standardised tasks in day-to-day operations. The knowledge generated from the following analysis will also provide broader understanding of how SSC bookkeeping had become embedded within Galaxy which, in turn, helps to assess the extent of deskilling.

The analysis in this chapter is structured around key concepts of Burns and Scapens (2000), which helps to make interpretation of a rich and rather complex case study accessible and to enhance the flow (Richie & Lewis, 2003; Yin, 2009). Such concepts include the 'taken-for-granted assumption' (i.e., 'institution') of simplified bookkeeping, 'rules' (i.e., SOPs) and 'routines', and 'enactment'. The underlying nature of bookkeeping tasks is explored, in particular its taken for granted nature (or not) and, as mentioned above, the extent of simplification and deskilling of SSC bookkeeping. Despite such individual concepts and themes, however, there are also inter-relational aspects of the empirical evidence discussed here, linked by a common aim to better understand how staff in the case organisation learned and performed their bookkeeping tasks, and how continuity of day-to-day operations was maintained.

The theoretically informed analysis offers insights into the learning of SSC bookkeeping as well as the underlying nature of bookkeeping tasks, which are both rather different from assumptions made in the conventional shared services model. As described earlier, the shared services model generally argues that SSC bookkeeping is a low-skilled and simplified practice, particularly as the designed organisational products of standardisation (e.g., fragmented tasks, SOPs, trainings, and manuals) and ERP technology simplifies bookkeeping tasks, and speeds up learning (Bangemann, 2005; Herbert and Seal, 2013). However, the case analysis will illustrate that, even though standardisation and SAP technology supported the learning process in Galaxy, bookkeeping was not so simplified that staff acquired routine actions (or shared habits) in a short period of time; standardisation and SAP technology did not make for fast learning. More specifically, new staff who joined the organisation without experience were trained, but they took a considerable period of time to be able to work independently, normally around three to five months.

The following conveys that the underlying nature of bookkeeping tasks in Galaxy complicated the learning and performing tasks; in particular, the interconnected and technical aspects of the various tasks and the different kinds of transactions involved, intrinsically required judgment and (subsequently) interpretation and analysis. Indeed, the routinised and standardised bookkeeping tasks in Galaxy engaged 'sense-making' repetition of actions and interactions. The case evidence suggests that tacit knowledge was a key condition for enacting extensive SOPs and routines (i.e. performing standardised tasks) effectively. Moreover, tacit knowledge and routine actions were not easy to acquire, but were very dependent on the designed organisational products (e.g., fragmented tasks, SAPs, trainings, manuals, and SAP technology), social interactions (e.g., coaching, asking colleagues, and coordination), and the repetition of actions and interactions, via practice, over a considerable period of time.

The (nature of the) continuity of day-to-day operations in Galaxy is also explored in this chapter. There were certainly tensions in day-to-day operations within the organisation, and the continuity of day-to-day operations demanded a great deal of effort from staff. The combination of complexity in the bookkeeping tasks and a considerable lead time for new recruits to learn the relevant tasks particularly

fuelled tensions, especially with the backdrop of high staff turnover and a strong performance orientation. In spite of frequently achieving various performance targets, it was also common to witness operational mistakes, delays, work-overload, out-of-hours working, and employee stress. Newcomers had to put in considerable effort for the accomplishment of tasks; and experienced staff often found themselves unofficially coaching inexperienced staff and/or picking up the slack. The case study therefore exposes that not only were attributes of standardisation and ERP technology important for the continuity of daily bookkeeping tasks, but just as fundamental was the role of experienced staff (i.e., 'knowledgeable agents', with stocks of knowledge (Giddens, 1984). As is developed below, a key observation in the case is that an important mechanism for tasks accomplishment in specific time and space was the process by which inexperienced staff approached experienced colleagues – i.e., what I call the 'ask culture' (see below).

This chapter comprises five sections. First, section 6.1 further discusses the generally taken-for-granted assumption of simplified bookkeeping, a situation which influenced (or rationalised) managers' choice to hire staff possessing low skill sets. Then, the SOPs and routines which were the basis for task 'enactment' (Burns & Scapens, 2000) are described in section 6.2; in particular, this section highlights the extensive SOPs and compliant routines in Galaxy to guide operational staff and to help maintain operational continuity. Next, in section 6.3, there is discussion of the underlying nature of bookkeeping tasks in Galaxy; more specifically this section highlights the complexity of bookkeeping tasks in the case, including the interconnected and technical nature of bookkeeping tasks and the variety of transactions. In section 6.4, the enactment of SOPs and routines by operational staff is presented, demonstrating how staff drew on extensive SOPs and routines to perform particular bookkeeping tasks, and, in particular, how newcomers learned these SOPs and routines. This section also highlights the importance of experienced staff and an 'ask culture' for assisting new staff to learn the extensive SOPs and routines. Finally, section 6.5 reflects on the analysis made in the chapter, preceding a broader discussion of the case findings, as well as reflection on the use of Burns and Scapens' (2000) theoretical framework, in the subsequent chapter.

6.1 The taken-for-granted assumption of simplified bookkeeping

The taken-for-granted assumption of simplified bookkeeping was prevalent in Galaxy since its early days (Bhaskar, 1989; Burns & Scapens, 2000, Hodgson, 2007). This prevailing assumption played a significant role in the establishment of SkyHub. The Managing Director was a former member of the shared services team at the head office, so he was able to provide insights into the shared services project. In the research phrase of the shared services project, local business units did not agree with the notion of offshoring bookkeeping activities (nevertheless, beyond the scope of this thesis, the reasons behind the resistance were not examined). However, the head office was assertive and finally managed to convince the executives in the local business units. The following comment by the Managing Director is a reflection of how the head office perceived SSC bookkeeping activities to not be so complicated, and that staff whose first language was not the same as the language of the client, and/or who did not have first-hand experience in bookkeeping, could 'easily' learn and handle tasks:

There was a big resistance, because nobody [local business units] could imagine that this could work – with different languages, with different time zones [...] with people who are just freshly hired from university, starting out here, maybe trained for just a few weeks, then doing those things so that nobody could imagine that it works [...] So, really we [the shared services team] had to convince many that other companies have done it already, including companies who have even more difficult structures than we have, yet they have achieved it.

The above also illustrates that taken-for-granted assumptions (or institutions in organisations) do not necessarily need to be agreed by all parties, but more so those agents with power (Seo & Creed, 2002; Seal, 2010). The assumption of simplified bookkeeping shaped multiple organisational arrangements in Galaxy, including the carriers of standardisation (e.g., fragmented tasks, SOPs, trainings, and manuals) and SAP technology, which all became common features of day-to-day activities. By assuming that SSC bookkeeping was a simple process, the head office allocated a limited budget to (existing and new) staffing, and Galaxy's management frequently hired staff who did not possess significant or necessary entry-level skills (Bangemann, 2005; Cacciaguidi-Fahy et al., 2002; Rothwell et al., 2011). The following comment indicates that, based on beliefs in standardisation, managers could rationalise their low-skills staff hiring approach.

More specifically, the following is a quote from a Team Manager who believed that SOPs simplified the learning of bookkeeping tasks and that, as such, non-accounting graduates could quite comfortably learn and ultimately perform standardised tasks:

Actually, it is not necessary to be accounting graduates. Yes, we do accounting², but we can train our employees. *Our accounting is like accounting packages. We have standards for all elements – e.g. water bills, and telephone bills. When you post bank transactions, you have to post like this. People can learn* (Team Manager, Interviewee #6, *emphasis added*).

The empirical evidence also suggests that the shared taken-for-granted assumption of simplified bookkeeping amongst the management in Galaxy resonated and was influenced by the widely held perception and the socially constructed assumption of simplified bookkeeping in the conventional shared services model (Lounsbury, 2008; Seal, 2010; Seo & Creed, 2002; Thornton et al. 2012). First, the shared taken-for-granted assumption at a wider level cascaded to shaping the reality of the management in Galaxy. For instance, in the opinion of the Managing Director, bookkeeping was an inferior practice of accountancy: “We’re not doing accounting. I would not say that we’re doing accounting if somebody asks me [...] we’re just a small part of accounting”. Such perception of bookkeeping as an inferior constituent of accounting practice reflects the very trivial image which bookkeeping is widely held (Baker 2001; Cooper & Taylor, 2000; Kirkham & Loft, 1993; Mathews, 2001; Wootton & Kemmerer, 1996). Second, most of Galaxy’s management were given executive training by the head office, during which they were indoctrinated with key concepts of the SSC model, and which was dominated by such (claimed essential) characteristics as standardisation, process simplification, and the hiring of staff with low skill sets (Thornton et al., 2012). Importantly, in this respect, the Managing Director was a member of the official shared services project based at the headquarters, before he moved to SkyHub.

In summary, this section has demonstrated the existence and importance of assumptions surrounding the simplified nature of bookkeeping in Galaxy. It has

²Due to conflation of the terms ‘accounting’ and ‘bookkeeping’ in his native language, even though the Team Manager used the term ‘accounting’, he actually referred to ‘bookkeeping’, involving transactions-processing and recording.

highlighted that the assumption was necessary for management to rationalise the employment of staff without ideal entry-level skills, and that such an assumption was very much grounded in the widely held beliefs and unquestioned ways rather than simply internally generated within Galaxy. In Burns and Scapens (2000), it has been argued that rules and routines *encode* broader institutional principles. In the next section, SOPs and routines in Galaxy will be discussed by way of demonstrating that they encoded the broader institution of simplified bookkeeping; whereby designed SOPs, as well as compliant routines, would at least have potential to generate greater simplicity in daily bookkeeping operations. Moreover, the following will attempt to illustrate that Galaxy did indeed appear to have extensive, institutionalised SOPs and routines.

6.2 Standard operating procedures (SOPs) and routines

In a standardised working environment of bookkeeping SSCs, SOPs are crucial elements, as they are central to patterns of actions and interactions in daily operations, providing step-by-step work instructions; in particular, SOPs are provided to assure simplicity in day-to-day operations (Bangeman, 2005; March & Simon, 1993; Seal & Herbert, 2013). As described earlier, the management in Galaxy perceived that SOPs simplified learning processes. In Burns and Scapens (2000), rules, which are taken here to be equivalent to SOPs in the context of SSCs, and routines, are directly interconnected with both the ‘institutional realm’ and the ‘realm of action’. Institutional principles are encoded to rules and routines, whereas rules and routines are the basis for enactment. To recap, according to Burns and Scapens (2000, p. 6), rules are “the formal recognised way in which ‘things should be done’”, whereas routines are “the way in which ‘things are actually done’”. However, also, as an extension, here routines are treated as a “propensity to act” (Burns, 2009, p. 1), rather than action per se, thus informing the ‘doing’ of tasks.

This section describes Galaxy’s extensive, institutionalised SOPs and routines, encoded in the broader assumption of simplified bookkeeping, and how/why employees drew on them in enactment. Put another way, the following will demonstrate that SOPs and routines in Galaxy had potential to facilitate the undertaking of tasks, supported staff learning, and helped to maintain continuity

of day-to-day activity. In section 6.2.1, the institutionalised SOPs and routines which guided day-to-day operations are described; followed in section 6.2.2 by illustration of the way through which the SOPs and routines supported learning and helped to maintain continuity in Galaxy, even in spite of high staff turnover.

6.2.1 Extensive SOPs and compliant routines

Galaxy had extensive SOPs and compliant routines for guiding performing tasks. Indeed, the empirical evidence indicates that, in Galaxy, the formal ways to carry out tasks (i.e., rules) and the way that things were actually done (i.e., routines) were more or less convergent (Burns & Scapens, 2000). Observations of the way that employees performed day-to-day bookkeeping tasks, entered data into the archival database, and filed documents suggests that SOPs were usually followed (Nonaka, 1994; Pentland & Feldman, 2005; Pentland & Reuter, 1994). To back this up, Galaxy had not received any major comment about non-compliance with SOPs in recent internal and external audits. Extensive SOPs and compliant routines took on “a normative and factual quality” (Burns & Scapens, 2000, p. 11) for two main reasons.

First, the enabling role of extensive SOPs guided employees to follow the formal step-by-step instructions for carrying out the various bookkeeping tasks. In respect to processing transactions, extensive SOPs had the potential to limit the necessary interpretation, analysis and search activities (March & Simon, 1993; Taylor, 1911, 1964). For instance, a SOP for making money transfers to the headquarters was clearly specified in a manual; therefore, staff in Galaxy carried out this task of money transfer by following the particular steps. SOPs like this in Galaxy were central to the various patterns of actions and interactions in day-to-day operations (March & Simon, 1993). Through the repetition of actions and interactions, from following the SOPs, routines would emerge (Burns & Scapens, 2000; Gersick & Hackman, 1990; Hodgson & Knudsen, 2004; Kilduff, 1992; March & Simon, 1993; Nelson & Winter, 1982; Stene, 1940; Zollo & Winter, 2002). And, as a consequence, Galaxy had extensive, compliant routines emerging out of an extensive portfolio of SOPs.

Second, the management exercised power through allocative resources and authoritative resources, to assure standards-compliance (Flamholtz, Das, & Tsui, 1985; Giddens, 1979, 1984; March & Simon, 1993). The ways the management used were – e.g., the performance measurement systems, the incentive schemes, monitoring reports, and top-down communication. For instance, if a newcomer did not comply with a particular SOP(s), for instance, the release of a payment without approval, or creating an account receivable master record without archiving a scanned source document, sooner or later the KPIs system or the monitoring reports would detect the non-compliance. The detected deviation from SOPs would affect her incentives. Following such a situation, the newcomer would be then officially informed to comply with the relevant SOP (and if things continued, the Quality Manager may ask to see the person(s) in question).

It is important to acknowledge that although Galaxy had various institutionalised SOPs and routines, the detailed and step-by-step instructions were not static but rather had potential to change over time (Burns & Scapens, 2000; Burns, 2009; March & Olsen, 2008). As with other SSCs, Galaxy continuously looked for ‘best practices’, and frequently had ‘continuous improvement’ practices in place (Cacciaguidi-Fahy et al., 2002; CIPFA, 2010; Schulman et al., 1999; Seal & Herbert, 2013). For instance, in October, 2010, the head office introduced a new SOP for *simpler* approval of invoice payments. Essentially, with this new SOP in place, where a supplier’s invoice amounted to less than 100 Euros (or equivalent) in the local currency, staff no longer needed to seek approval from the local business units anymore (except invoices that were randomly selected by the Quality Assurance Team). Galaxy was indeed a quite dynamic working environment, where staff needed to keep up with new SOPs:

It's a lot about routines, but on the other hand there are also things that are changing every day, and regularly, in terms of how we process our tasks. Maybe it is not evolution every day, but I do think we have some small evolution happening every day (Managing Director).

The top-down implementation of new SOPs is considered to be ‘formal’ change in Burns and Scapens’ (2000) framework. Newly implemented SOPs usually became institutionalised as managers also aligned control mechanisms, as explained above, to ensure that the new SOPs were actually carried out. For

instance, one such mechanism was a workshop held every month to disseminate knowledge of any new SOPs: “Basically we mix groups of people, from seniors and junior ranks, and every month one team will be assigned to discuss and explain any SOP updates in the manual” (Quality Manager). Moreover, if any employees were reluctant to engage in a new SOP, or did not put in sufficient effort to conform to new SOPs, this would affect their team bonus and require conversations with their superiors. As a result, whenever change was introduced at an operational level in Galaxy, resistance to such change tended to be quite minimal. When Galaxy entered its second phase in 2010, and took over more tasks from the local business offices, this created an instant need for new SOPs such as reports and communication with third parties in the local countries. And, while some employees might be unhappy about some changes, most generally and instantly accepted new SOPs and the new responsibilities which derived from them.

The above has briefly illustrated that Galaxy had extensive SOPs and compliant routines for guiding bookkeeping tasks, as well as mechanisms that underpinned the continuation and ongoingness of such SOPs and routines over time. Moreover, it has been stressed (above) that Galaxy’s working environment was quite dynamic such that the institutionalised SOPs and routines could (and often did) change over time. The following section will develop the ways through which SOPs and compliant routines supported learning as well as helped to maintain continuity in day-to-day operations.

6.2.2 Supporting learning and maintaining continuity

The case study evidence suggests that extensive SOPs and routines in Galaxy had the potential to support learning. By learning, this relates in particular to rote learning and the way in which experienced employees coached inexperienced colleagues in broad aspects of the organisation and its activities. Such ways to support learning were particularly helpful for maintaining the continuity of daily operations in Galaxy, since especially with the constant high staff turnover, there was *always* a sizeable cohort of inexperienced employees in their respective roles, i.e., both newcomers and also rotated experienced employees. These issues will now be elaborated in this section.

Several interviewees stressed a rote-learning experience in their early days of working at Galaxy, meaning where employees carried out bookkeeping tasks by just following the stated steps in how-to-do manuals and/or as learned in training, without full comprehension of what they were actually doing. According to Burns (2000, p. 583), rote-like behaviour tends to require “minimal accompanying thought process and/or reflexive monitoring”. Extensive SOPs in Galaxy had the potential to facilitate this rote learning, because they offered step-by-step instructions for the actual carrying out of various tasks. Of particular relevance, the bookkeeping tasks in Galaxy were quite possible to collate into specified tasks around (e.g.) data entry and transaction processing. A senior staff member (Interviewee #11, graduate in International Business) shared that, despite some experience of accounting at university, she nevertheless was encouraged to rote learning in her early days at Galaxy: “It was *as if I were a robot* – they trained me. I followed the way they trained me, e.g., debit and credit, etc. But I didn't really understand it at all” (*emphasis added*). The metaphor ‘robot’ used here indicates that she carried out her bookkeeping tasks without full comprehension, so rote learning as defined above.

The usual way for (new) employees to muddle through their tasks and cope in their early days at Galaxy included: following notes made in training (i.e., both ‘on-the-job’ training and formal training sessions); data entries retrievable from the archival database and which could be used as a guide; instructions and assistance from more experienced staff; and step-by-step instructions presented in bookkeeping practice manuals. In particular, by following and emulating past data entries on the archival database, employees were better able to engage in lower degrees of interpretation and spend *less* time going through notes and/or manuals:

I am not the type who remembers stuff, and I don't read the notes that I've took. That's not one of my good characteristics, I know. I rather look at entries on the archival database. I look at how they were entered, and then I follow them (Junior Staff, Interviewee #12, graduate in Economics).

Entries on the archival database provided concrete forms for observing how data was actually entered; thus, routines manifest in these entries on the archival database (Burns & Scapens, 2000; Pentland & Feldman, 2008). As such, imitating these entries on the archival database to accomplish new data entries

reflects that routines guided actions. Interestingly, and related to this point, the Quality Assurance Team Manager (Interviewee #5) expressed that many of the manuals were not necessarily useful in practice: “There are *too many* manuals to go through. Staff may not know *what* to read” (*emphasis added*). As a consequence, employees (particularly inexperienced staff) frequently opted for the short-cut for carrying out data entry by simply imitating past entries on the archival database and, where necessary, reinforcing this by asking experienced colleagues (i.e., the ‘ask culture’ – see below, section 6.4.3). Nevertheless, the repetition of such rote actions and interactions over time helped Galaxy’s employees to gradually learn and to eventually acquire routines (or shared habits) (Cohan & Bacdayan, 1994; Eraut, 2000; Gersick & Hackman, 1990; Hodgson, 2008; Kilduff, 1992; Nelson & Winter, 1982; Postrel & Rumelt, 1992; Stene, 1940; Wright & Noe, 1996; Zollo & Winter, 2002). For example, after a year interviewee #11, who described herself as rather “robot”-like (as above) in her early days at Galaxy, passed the necessary assessments to become a senior officer; which meant that she became more skilful and then also had to coach newcomers.

Experienced employees in Galaxy were able to guide inexperienced colleagues in the enactment of SOPs and routines. This was particularly useful for facilitating a continuity in day-to-day operations at Galaxy, where staff came and went, newcomers lacked experience in SSC bookkeeping, and (experienced) staff rotation was not uncommon. The passing on of broad organisational knowledge and the how-to-do of particular tasks was made all the more possible because of the high level of standardisation in Galaxy, in particular via multiple SOPs. The SOPs for tasks were consistently specified in the main workers’ manual, and these SOPs were applied to all countries. The SOP for a particular task would then underpin routines dispersed across different countries. However, just as some have argued that a routine can create a web of actors (Feldman & Rafaeli, 2002); in this case the routines in different countries but which emerged from the same SOP would generally be considered as ‘distinct’ to that particular country because of the particular localised sets of actors. Moreover, SOPs and routines which emerged from ‘central’, group-wide SOPs could in practice differ to a certain extent – according to the particular country specification. For instance, the SOPs associated with recording supplier invoices in Dubai were quite different to the SOPs for the same business processes in India because of local tax

considerations; more specifically, Dubai did not have withholding tax, whereas India did. Such country specifications were specified in country-specific SOP manuals.

SOPs and routines enabled experienced staff to apply “reflexive monitoring” and “tacit knowledge” when guiding less experienced colleagues in the enactment of bookkeeping tasks (Burns & Scapens, 2000, p. 10; Feldman & Pentland, 2003; Feldman & Rafaeli, 2002). For instance, one interviewee who was responsible for account-receivable tasks in Singapore was actually coached by a senior colleague, who was assigned to account-receivable tasks in South Korea. In this case, the main manual specified equivalent SOPs for processing account-receivable tasks in all countries – e.g., SOPs for recording debit notes and credit notes; reconciling customer accounts, and distributing dunning (debt-reminding) letters. Nevertheless, the SOPs and routines for the same tasks in the respective regions of Singapore and South Korea were not exactly the same but had certain idiosyncratic features due to country specificity. So, by reading the country-specific manual and looking through the archival database for Singapore, an experienced employee was also able to apply tacit knowledge around particular SOPs and routines to assist and guide a less experienced colleague to perform such tasks in the Singapore region (Feldman & Pentland, 2003). Such guidance from experienced colleagues helped less experienced staff to accomplish bookkeeping tasks in *specific* time and space as well as to further develop (tacit) knowledge of the relevant SOPs and routines in the Singapore region (Feldman & Rafaeli, 2002). In this particular instance, it was the guidance of an experienced employee in the South Korea region which helped to reproduce bookkeeping routines in the Singapore region (Burns & Scapens, 2000; Feldman & Pentland, 2003; Feldman & Rafaeli, 2002).

To sum up, this section has elaborated more on Galaxy’s extensive SOPs and routines, which helped to generate simplicity in day-to-day operations. A high level of standardisation played a significant role in assisting learning and maintaining continuity of activities. The abundance of SOPs and routines, facilitating the performance of daily tasks, also made rote-learning of key tasks possible; which, in turn, could be drawn upon by experienced staff to guide and assist inexperienced colleagues. In the next section, there will be further

discussion of the underlying nature of bookkeeping tasks in Galaxy, specifically the complexity to bookkeeping tasks in Galaxy; tasks which therefore required judgment, interpretation, and analysis. This complexity dimension usually complicated the learning of and performing SOPs and routines and required sense-making repetition of actions and interactions.

6.3 The underlying nature of bookkeeping tasks

In general, the data processing function of accounting can give the impression that the staff involved need simply to repeat specified and largely unchanging tasks (Cooper & Taylor, 2000; Wootton & Kemmerer, 1996). At first glance, the standardised bookkeeping tasks (e.g., data entry, payments, and accounts-clearing) in Galaxy did not appear to require a substantial degree of interpretation or analysis. In particular, as the previous section highlighted, most tasks could be carried out through leaning on the assistance of rote learning. However, such ways of working did not usually result in the most efficient approach – e.g., undesirable outcomes occurred from time to time, such as processing errors and delays in service. In particular, experienced employees needed to expend a great deal of effort to maintain continuity of day-to-day activities, for instance by coaching newcomers and picking up any slack (see section 6.4.1, below). Having said this, and as mentioned in the previous chapter, such mistakes and undesirable outcomes did not necessarily affect service levels, especially if they were corrected before any KPIs checking or simply not detected.

The evidence in the case suggested that rote-learning by itself was insufficient to carry out all bookkeeping tasks effectively, since the enactment of SOPs and routines was conditional on the underlying nature of the bookkeeping tasks in Galaxy; moreover, as will be developed further in this section, this underlying nature intrinsically involved judgment. As a consequence, the bookkeeping routines in Galaxy engaged sense-making in repeated actions and interactions, rather than simply ‘mindless’ behaviour (Cohen, 2007; Feldman & Pentland, 2003). The following demonstrates that even highly routinised, standardised bookkeeping tasks in Galaxy had important ‘interconnected’ and ‘technical’ aspects which brought additional complication to the various transactions. More specifically, such underlying nature complicated the processes of learning and

enacting for bookkeeping SOPs and routines. The complexity of bookkeeping is now explained further in terms of data entry, technical aspects and the interconnectedness of tasks and actors.

6.3.1 Data entry

Data entry – the posting of data for particular transactions into SAP technology – was one of the main bookkeeping tasks in Galaxy. All staff had to perform data entry, no matter which function they were assigned to. It is widely perceived that data entry more or less constitutes effortless or mindless repetition of actions, ‘simple’ entering of data from source documents into a computerised system; bookkeepers just need to cope with high volumes of transactions (Wootton & Kemmerer, 1996; Cooper & Taylor, 2000). However, the empirical evidence here suggests that data entry did not stop simply at the act of entering data into SAP technology. Rather, data entry was complicated to the extent to that it called for judgments to be made, and would subsequently involve interpretation and analysis. So, the following will demonstrate that in spite of high levels of standardisation, data entry in Galaxy still engaged some sense-making. In particular, judgment, interpretation, and analysis were seen to be important for account coding and the posting of transactional data to relevant general ledger accounts (Blewett & Jarvis, 1989; Cooper & Taylor, 2000; Ginzberg, 1980).

To appreciate the nature of data entry in its actual setting, it is important to visualise the data processing function in Galaxy, comprising both automated and manual transactions. First, there were some transactions which the SAP system processed automatically. These were usually transactions that could be easily standardised and occurred in high volumes, e.g., air ticket and cargo sales. On the other hand, there were also transactions which employees had to process manually. Those were usually transactions whose input was difficult to standardise, or transactions whose volumes were too low to break-even, e.g., invoices from one-time suppliers and the manual correction of automated data entries. Interpretation and analysis was required for manually processed transactions, for two main reasons.

First, data entry was conditional on the various and specific details of a particular transaction at a particular time and space. For instance, such details as local withholding tax rates, relevant currency on supplier invoices, and the formulation of cost allocations all demanded some form of calculation (Beretta et al., 1998; Pentland et al., 2010). Furthermore, although some 'like' transactions might occur every week, say, the details of a particular transaction could vary if, just for example, there was a change of vendor, a change in payment terms, or if the source documents were not clear. Therefore, even in 'routine' situations like this, staff had to engage in interpretation and analysis in order to adapt to potential variance in the details of transactions. Second, bookkeeping staff would always have to make judgments on account coding, since account coding is conditional on the nature and purpose of transactions, and Galaxy had quite a variety of transaction types (Beretta et al., 1998). In particular, a transaction could be associated with more than one account, depending on the purpose at hand. For instance, an invoice for brochures could be coded to the advertising account, if it was deemed a general airline advertisement, or the sales promotion account, if the expenditure was deemed an advertisement for a specific product or route.

The case study investigation revealed that account coding was a complex and difficult process for inexperienced employees, both newcomers and experienced staff who were rotated in their posts. For instance, in the first half of 2011, KPI (accuracy) results for cash reports plummeted in many countries, mainly on the grounds of lots of new staff in Galaxy. That is, without a great deal of first-hand experience, the new employees frequently made mistakes:

In the early months, I made errors in five items [...] Obviously, I was new to the organisation, and I was assigned to process the cash reports. I had to learn a chart of accounts, but I didn't know much about it (Junior Staff, Interviewee #17, graduate in Chinese Business).

Even newcomers with accounting degree backgrounds or at least some form of accounting background also made mistakes when entering account codes. Indeed, it took a considerable time for staff to become proficient with account coding, since there was considerable variety in Galaxy's transactions and accounts. For instance, invoices from suppliers could range from the purchase of bin bags to, more substantially, aircraft fuel. Moreover, all new or inexperienced staff had to get to know the accounts which were specific to their organisation.

For instance, in Galaxy there was a separation between the accounts for commercial flights fuel and chartered flights fuel. So, to make the right judgment on account coding, staff had to understand the transaction and the nature of the business; also, they had to know the accounts that were available.

Unsurprisingly, it was difficult for inexperienced employees to learn the variety of transactions and the nature of business within a short period of time, particularly where staff also lacked any experience in bookkeeping. On top of this, the shared services model adopted in Galaxy tended to shield (or decoupled) bookkeeping staff from the multiple contexts (i.e., local business units) where transactions were being generated. Galaxy's bookkeeping staff had scant knowledge about aspects of the organisation beyond their own very narrow scope. However, they still became more proficient at account-coding via the repetitive performing of data entry. Indeed, although a narrow and tightly defined task area, it would be reasonable to say that account coding in Galaxy demanded a considerable degree of expertise, far from being some mindless and effortless practice (Blewett & Jarvis, 1989).

To sum up, this section has demonstrated that data entry in Galaxy involved a variety of transactions and was conditional on the gathering of significant details. Moreover, a sound knowledge of the various accounts was essential for effective and accurate account coding. All of this meant that data entry is more complicated than the traditional SSC model would profess, engages sense-making, and makes the learning process harder.

6.3.2 Technical aspects

In this age of advanced computerisation, it has been argued that the technical knowledge of double-entry bookkeeping is not necessarily a key criterion when recruiting bookkeepers, and that formal training of SSC bookkeeping requires only a short period of time (Bangemann, 2005; Cooper & Taylor, 2000; Seal & Herbert, 2013). However, the following demonstrates that to perform tasks efficiently, staff at Galaxy had to significantly comprehend double-entry bookkeeping techniques, have a solid working knowledge of the SAP system, and appreciate the organisational-specific elements such as the chart of

accounts, processes, and terminology. It was certainly not easy to understand such technical aspects in a short period of time.

Evidence gathered indicated that newcomers without an accounting background took a considerable amount of time to comprehend the double-entry bookkeeping techniques, including the underlying principle of debit and credit, a chart of accounts, and the relationship between accounts. However, as mentioned above, such an understanding of these technical aspects of bookkeeping was important to gain efficiency in its practice. In particular, such technical knowledge was essential for account-clearing, one of main tasks in bookkeeping. That is, with regards to the account-clearing activity, relevant debit and credit items on particular accounts (called 'open items') needed offsetting. So, for example, in a customer account, the data for an issued debit note would be entered into the system and a debit would appear in that customer's account; and, later, the incoming payment for this debit note would be credit to the same account. Then, both open items had to be 'keyed off' against each other. This accounts-clearing activity was important, since it helped managers to monitor unfinished or pending transactions, such as where Galaxy awaited payment for debit notes and with unpaid vendor invoices. Moreover, the accounts-clearing task was measured by the system of open items, the key measure being around the number of pending items; therefore, staff endeavoured to clear the items as much as possible.

In practice, there were both simple and complex clearing situations. And, it was not always the case that relevant items on both debit and credit sides were perfectly matched or easily identified. For instance, if a customer elected to split their payment for a particular debit note into three different, individual payments, a member of the bookkeeping staff had to find those three payments in the credits, so as to clear them with the debited item. Other complexities could come, for example, by posting transactions to the wrong account in error; in such situations, a staff member would have to manually re-post the items to the correct accounts, as well as reverse the original wrong postings, in order to complete the clearing.

Galaxy staff were usually trained in double-entry bookkeeping techniques during their preliminary training, lasting around five days. This initial training actually

usually covered double-entry bookkeeping techniques, the SAP system, and some other organisation-specific aspects such as organisational structure and local terminology. In training, the main principles of debit and credit and a chart of accounts were explained, including some exercises to be worked on. However, staff without any accounting background (e.g., an accounting degree) did not usually develop a deep understanding, particularly in such a relatively short period of time, though there was some acquisition of rote-like knowledge. And, without sound comprehension of the double entry bookkeeping technique, these new staff (probably inevitably) faced difficulties when next carrying out their daily bookkeeping tasks, in particular when it came to accounts-clearing. A Team Manager (Interviewee #10, graduate in International Relations), who was a former staff and did not have any accounting background, gave an illustration of such difficulties. That is, although she had gained some very basic knowledge through rote learning, she had difficulty in clearing the accounts. This is because she did not properly understand the principles of debit and credit or the relationships of accounts:

I did not get it [...] I did not see the whole picture. I knew only that it was an invoice, and an invoice had to be posted like this. But, I couldn't link it all; how did bank transactions flow? how did cash transactions flow? I didn't see a whole picture. I knew only that if it was an invoice, I must debit on this account and credit on that account. If it was a bank report, I had to post it to the interim accounts. But, I was unable to map everything together; I was unable to match a bank report with a bank statement. How were payments matched with invoices?

In Galaxy, when inexperienced employees were unable to clear accounts, experienced staff normally helped out (see section 6.4.3, below, for further details). Nevertheless, in the particular case of this Team Manager, since she joined the company during the implementation period, it was staff in a local accounting unit which gave her a hand. In all, this particular interviewee claimed to take about five months before she felt that she properly had a handle of the various tasks over which she had responsibility. Her experience indicates that without a good comprehension of double-entry bookkeeping techniques, SSC staff seem to be unable to carry out bookkeeping tasks efficiently and independently.

However, even though a solid comprehension of double-entry bookkeeping techniques was important for efficiency in the process, bookkeeping in Galaxy was a complex matter for even accounting graduates. Also, as one interviewee explained bookkeeping practices constituted much more than simply debit and credit:

While I was coaching the debits and credits, she [an accounting graduate] seemed okay. But when coaching about the systems, I think she got confused, she would ask: "Why is it like that?" [...] She would get it to a certain degree, but she made many errors. Maybe she was not careful; and, despite graduating in accountancy, that person could still get confused by the systems. So, *it is not just about writing debits and credits*. That is easy stuff for the accounting graduates; so, for example, for payment, they are able to write the debits and credits. But then the system part can make things complicated. Like, for example: which voucher type is to be used in the system; how do you make a group company posting? I think it can easily get confusing (Junior Staff, Interviewee #8, graduate in Marketing, *emphasis added*).

Even accounting graduates also had to learn SSC bookkeeping, as this also required knowledge of SAP technology and other organisation-specific aspects such as the chart of accounts, processes, and organisational terminology. For instance, all new bookkeepers had to learn how to enter their data from original source documents into the SAP system (such as making postings for fixed assets or money transfers to the parent company); all of these, and more, could be quite complex tasks. One fairly new Team Manager (Interviewee #18), with an accounting degree and some previous work's experiences in the accounting area, admitted that he found the SAP system and some other organisational specifics (e.g., terminology) quite difficult to comprehend in such a short period of time:

I had never used SAP, so I got confused [...] The concepts of 'data flow' and 'execution' were also different from what I used to do. So, I had to learn, quickly; and in the beginning, I had a headache!

To sum up, this section has demonstrated that bookkeeping practices in Galaxy concerned a great deal of important technical aspects, including double-entry bookkeeping techniques, SAP technology, and organisational-specific elements such as processes and terminology. Furthermore, the argument has been made that in order to perform bookkeeping tasks both effectively and efficiently, a sound understanding of these technical aspects was important for making good judgments. However, as has been explained, these technical aspects were

generally *not* easy to comprehend, especially within the short period of time they were allocated, and this complicated the learning process.

6.3.3 The interconnectedness of tasks and related actors

According to the traditional views on standardisation or the scientific management approach, the fragmentation of processes is deemed to be a key characteristic of simplified bookkeeping (Bangemann, 2005; Cooper & Taylor, 2000; Levitt, 1972; Taylor, 1911, 1964). However, the fieldwork in this investigation suggested that, in spite of fragmentation in the bookkeeping processes, both various tasks and the actors involved remained interconnected to a degree rather than independent. Importantly, this interconnectedness of the various tasks and the related actors, in turn, underpinned an increase in the use of email for communication. This section will now explore some of these issues in more detail.

Each bookkeeping process comprised a sequence of activities (Cooper & Taylor, 2000; Stauss, 1995) and involved actors (Becker, 2004; Feldman & Rafaeli, 2002). For instance, the invoices-payment process comprised a sequence of activities and engaged actors. The process began with staff in a local accounting unit, who scanned invoices to Galaxy; following which staff in Galaxy then posted data into the SAP system. Approval for payments would need to be received from authorized executives in the relevant local business units, in requests made via the system. Also, before executing any payments, bookkeeping staff had to clear any 'open items' in the vendor accounts, so as to reach an up-to-date balance, and then created a payment proposal. In the end, a team manager also had to approve a payment proposal and then executed the payments. So, the invoices-payment process included several interconnected (sub-) tasks and involved multiple and related actors (e.g., operational staff, a team manager at Galaxy, and some workers in local business units). The latter business units not only received bookkeeping services from Galaxy but also took part in the bookkeeping process in respect of both inputs and outputs (Stauss, 1995). In addition, from time to time a Galaxy staff member would have to contact external suppliers – e.g., for clarifying double invoices. In summary, the shared services model

created a 'web of actors', spread over different space for particular tasks (Feldman & Rafaeli, 2002).

In order to carry out tasks efficiently and effectively, Galaxy staff needed a solid comprehension of the interconnectedness of various tasks as well as of the various actors who were (together, relatedly) involved in a particular process, in particular with regards to how the relevant transactions flowed. According to the Managing Director, a comprehension of the interconnectedness of tasks and the related actors was important for making sense of how transactions came about, and which actions should be taken (Pentland & Feldman, 2008):

At the end of the day, they have to understand the processes, the general concepts, and the relationships between processes and the various parties involved – so that they can judge. Because [local accounting units], field offices, everybody [...] people will tell you a lot of things, and you will just have to decide what is right, what is wrong, what is important, and what is not important (Managing Director).

If lacking a comprehension of the interconnectedness of various bookkeeping (-related) tasks and related actors, undesirable and unintended consequences could occur. For instance, occasionally newcomers would send invoice approval requests to the wrong department. Also, there had been a situation where new staff in the accounts receivable team did not know that they had to hand-in customer credit notes to staff in the accounts payable for making the payments. So, increasingly, staff took time to better understand this interconnectedness of tasks and actors, since they did not have enough experience in bookkeeping, and they were also decoupled from where transactions were generated. The group company of Galaxy had a complex organisational structure, consisting of multiple local business units and subsidiaries, across various countries. At one stage, a former Quality Manager had sent staff to visit units in different countries, to increase their understanding of the wider the context of their responsibilities.

Interestingly, the interconnectedness of related actors, across different space, influenced change in the primary means of communication, whereby email became an integral part of the bookkeeping process. This development was highlighted by a Junior Staff member (Interviewee #9, graduate in Accounting):

I thought an accounting job would be about documents only. I never thought an accounting job would involve contacting [internal] customers

directly by email all of the time. I have friends who are accountants, but no one told me that they had to contact customers all of the time. Sometimes I doubt whether I am actually doing accounting.

Communication across multiple actors was frequently necessary because Galaxy could not fully control or influence its input data (or context). For instance, there would be times when data was missing from invoices, 'standard' invoices contained 'non-standard' details, or some automated transactions appeared in wrong accounts. In many such situations, this would then require additional information which, in turn, usually involved cooperation (hence, communication, usually email) with local business units. So, it was not uncommon for Galaxy's operational staff to be contacting local business units in different countries, a common feature of service jobs (Hampson & Junor, 2010; March & Simon, 1993).

The increase in email communication could be concerned either with simple matters (e.g., following-up invoices) or complex issues (e.g., the clearing of complicated 'open items'). Importantly, emails would frequently require judgment. Email was then a complex and difficult phenomenon for newcomers in Galaxy because effective communication via email required (different) foreign language skills, knowledge of various bookkeeping tasks, and decent comprehension of the interconnection of tasks and related actors (as discussed in the last section). Some email communication could consume a significant amount of employees' time in day-to-day operations, depending on the specifics of the case and the overall knowledge of involved employees. And, some staff commented, significantly, that communication via email had adversely affected their productivity. In service organisations which adopt 'factory standardisation' (e.g., call centres, or McDonald's fast-food business), a 'script' represents a solution for the standardisation of communication (Ritzer, 1996; Taylor & Bain, 1999). However, communication scripts via email were rare in Galaxy (e.g., a template of dunning email and auto-remind emails generated by the computer systems). Unlike call centres and McDonald's, Galaxy was engaged in a variety of transactions with varying contexts, so it would seem impractical to create scripts for most of situations.

In summary, this section has demonstrated that to effectively and efficiently perform bookkeeping tasks, staff needed to understand the interconnections

between tasks and related actors, so that appropriate actions could be taken. Generally, emails dominated communication across the organisation; staff also found themselves using judgment in writing emails.

Overall, section 6.3 has suggested that a high level of standardisation in Galaxy did not seem to simplify data entry, bookkeeping tasks, nor other technical aspects. In order to enact various bookkeeping (-related) tasks efficiently (e.g., data entry, accounts-clearing, payments, and email), staff really needed to comprehend *multiple* aspects of bookkeeping, and quickly – including double entry techniques, SAP technology, multiple organisation-specific aspects such as the chart of accounts, organisational processes and terminology, the variety of transactions, the nature of Galaxy's business, and the interconnectedness of tasks and related actors. However, new staff usually took a considerable time to comprehend especially the interconnected and technical nature of bookkeeping tasks, as well as becoming familiar with the varying nature of transactions. In particular, the off-shoring of bookkeeping activities (i.e., from the context of where transactions were generated) significantly complicated any learning process in a sense that newcomers had little concept of things outside of their own locale. The interconnected and technical aspects of bookkeeping tasks and the variety in the nature of transactions would seem to have particularly increased the complexity of bookkeeping in Galaxy. In the section which follows, there is further discussion of the ways through which operational staff both learned and (re-)enacted bookkeeping tasks over time in the context of such complexity (as described above), namely by drawing heavily on SOPs and routines, as well as playing a proactive role in maintaining daily operations.

6.4 The enactment of SOPs and routines

This section describes in further detail how staff in Galaxy performed standardised bookkeeping tasks, more specifically through the *enactment* of SOPs and routines (cf. arrow 'b', in Burns & Scapens, 2000, p. 10): "The process of enactment may involve conscious choice, but will more usually result from reflexive monitoring and the application of tacit knowledge about how things are done". Insights into the ways that staff drew on SOPs and routines, when performing bookkeeping tasks, suggest that even though detailed work

instructions (i.e., SOPs and routines) were helpful to guide staff at Galaxy (and, as described in section 6.2), many had to take considerable time to learn such extensive instructions. Staff did not 'simply' know how to pick and enact SOPs and routines appropriately; judgment was required in such selection (and subsequent enactment) of SOPs and routines. The following analysis highlights that tacit knowledge was an important ingredient for the enactment of SOPs and routines in Galaxy's bookkeeping practices.

Furthermore, the evidence presented in this section suggests that the acquisition of such tacit knowledge and routinisation of action are far from easy. Tacit knowledge and routine actions (or shared habits) were acquired through the repetition of actions and interactions in practice, depending not only on sources of knowledge from standardisation (e.g., training, manuals, and the archival database) but also on social interactions (e.g., coaching and coordination). The following will demonstrate that in a situation where there were always staff newcomers who lacked first-hand experience, and where the achievement of performance targets was becoming increasingly important, experienced staff (i.e., knowledgeable agents) played a key role in ensuring the continuity of day-to-day operations. For instance, the more experienced staff coached their less experienced colleagues and would regularly pick up any slack. Interestingly also, an 'ask culture' developed and further nurtured the collective ethic where inexperienced staff asking experienced colleagues for advice and guidance became quite prevalent and certainly helped to maintain the necessary service levels (see later for more discussion of this 'ask culture').

This section is now divided into further three sub-sections. First, section 6.4.1 demonstrates how experienced employees drew on SOPs and routines for carrying out tasks, described as processes of enactment of rules and routines (Burns & Scapens, 2000); and also how these more experienced colleagues relied upon tacit knowledge to enact the SOPs and routines. However, things were quite the opposite for inexperienced employees. So, section 6.4.2 illustrates how, when staff were relatively new to their tasks, they tended to be involved with conscious choices that were influenced by artefacts of standardisation (e.g., the archival database and manuals) and social interactions (e.g., asking more experienced colleagues for help) when drawing on SOPs and routines to carry

out tasks. The criticalness of tacit knowledge for enacting SOPs and routines over specific time and space is also highlighted in this section. Finally, in section 6.4.3, and as mentioned above, there is a discussion of the 'ask culture', which emerged as an important mechanism underlying the continuity of day-to-day operations in Galaxy, particularly in light of its high staff turnover rate.

6.4.1 Enactment by experienced employees

According to the concept of processes of the enactment of rules and routines (Burns & Scapens, 2000), it focuses rather on 'knowledgeable agents' who have developed stocks of knowledge (Giddens, 1984), people with 'banked' experience. This seems so because actors are assumed to rely on 'tacit knowledge', even in 'reflexive monitoring', rather than be too involved with conscious choice in enactment: "The reflexive monitoring of action draws upon and reproduces forms of tacit and discursively available knowledge" (Giddens, 1979, p. 128). Based on the literature on knowledge, when actors are likely to engage tacit knowledge in taking actions, it means they acquire routine actions or accumulate experiences (d'Eredita & Barreto, 2006; Lam, 2000; Nonaka, 1994; Polanyi, 1964; Tsoukas, 1996).

Indeed, as argued by Burns and Scapens (2000), experienced employees in Galaxy drew on SOPs and routines for carrying out tasks through reflexive monitoring and applying tacit knowledge. Experienced employees usually worked fast, were accurate, and solved problems independently. Such ways of working reflects that experienced staff acquired tacit knowledge and routine actions (Cohen & Bacdayan, 1994; Eraut, 2000; Postrel & Rumelt, 1992; Wright & Noe, 1996):

I can handle daily tasks faster. I don't have to ask others. I know more (Junior Staff, Interviewee #12, graduate in Economics);
I am proud that I am able to help others [...] I know what I have to do, such as making payments in time. I know my deadlines, I can plan and organise what I have to do each day (Senior Staff, Interviewee #15, graduate in Economics).

Experienced employees were able to handle the interconnected and technical nature of tasks and the various nature of transactions. They usually knew how to proceed with things, even when facing irregular and complex situations (Englund

& Gerdin, 2008; Ribeiro & Scapens, 2006). However, this does not mean that they engaged in mindless repetition of actions and interactions. In such circumstances, experienced employees engaged in cognitive and search activities (such as going through manuals and asking staff in the head office), but it was done in an 'on-the-move' and relatively confident manner. Furthermore, and as discussed earlier, through reflexive monitoring and applying tacit knowledge, experienced employees were able to develop an understanding of enacting SOPs and routines in a broader organisational context, which was helpful for coaching inexperienced colleagues as well as being rotated. Experienced employees helped inexperienced staff in terms of coaching them (e.g., on-the-job training or informally answering questions during day-to-day practice), picking up any emergent slack (e.g., assisting with colleagues' unmanageable workloads), and monitoring (e.g., checking the accuracy of data entries). In Galaxy, it was widely acknowledged that experienced employees played a *significant* role in helping to maintain daily operations.

A Team Manager (Interviewee #10) confirmed this general belief that experienced employees were important for day-to-day continuity: "If seniors stay, trainers stay, and juniors leave, Galaxy is not affected". Similarly, the Quality Assurance Team Manager (Interviewee #5) gave an opinion that "Structures cannot be maintained without seniors". Drawing from Burns and Scapens (2000), it would appear that experienced employees helped to reproduce the existing, institutionalised routines, broadly across the organisation. Or, as argued similarly by Giddens (1984), knowledgeable agents, with stocks of knowledge, help to reproduce the evolving intra-organisational structures. Indeed, experienced staff in Galaxy, who had developed stocks of knowledge and helped routines to be reproduced at a broad organisational level, represented and epitomised the notion of knowledgeable agents. Such an important role for these experienced employees would seem to reflect that the continuity of day-to-day operations in Galaxy depended not only on designed organisational features more familiar to traditional SSC models (e.g., fragmented tasks, SOPs, training, manuals, and SAP technology), but also the knowledge and abilities of experienced staff.

So, in summary, this section has illustrated that experienced staff, with their stocks of knowledge, continuously leaned on SOPs and routines for performing

appropriate bookkeeping tasks in the appropriate manner. They also played a significant role in ensuring the continuity of daily operations. In contrast, the next section will demonstrate that it was a completely different story as far as inexperienced employees were concerned. That is, bookkeeping staff, who were yet to accumulate sufficient experience in their roles, had to put considerable effort into carrying out even the most basic of beekeeping tasks.

6.4.2 Enactment by inexperienced employees

Since Galaxy always had staff newcomers possessing a lower skill set, it is important to appreciate how staff performed in their early days and months. This section will demonstrate that, unlike experienced colleagues, inexperienced employees were more likely to get involved with conscious choices that were influenced by artefacts and social interactions, rather than merely relying on reflexive monitoring and tacit knowledge for the enactment of SOPs and routines. In the following, the performance of inexperienced employees is firstly discussed; this is followed by consideration of the way in which they enacted SOPs and routines.

Performance of inexperienced employees

Although SOPs enabled rote-behaviour, inexperienced employees in Galaxy were slow, made mistakes, and depended heavily on experienced employees (as reflected in the 'ask culture', see next section). In the first half of 2011, many experienced employees left Galaxy. As a consequence, due to there subsequently being many newcomers, Galaxy faced a decline in its KPIs results: "In terms of quality, there was some quality dropped in the first half of the year, from the newcomers. [...] Sometimes there were also complaints here and there from the field offices" (Quality Manager). The practice of 'accepting mistakes' (as discussed in the previous chapter) has demonstrated however that there was some compromise in Galaxy's performance. According to the Quality Manager:

I mean we cannot expect them to deliver immediate quality. First, they have a background in specialised languages. They normally do not have an accounting background, so it also takes time for them to really adapt to our process and to understand the logic. So, of course, we have some drop in quality (emphasis added).

Her opinion reflects that immediate quality, in terms of accuracy and timeliness, was something that Galaxy had to compromise on, when employing so many staff who possessed lower skills 'fit for purpose'. However, this is not to say that the management accepted poor performance. But, it is probably fair to say that the management were being realistic that employees, particularly inexperienced and new staff, *could* – in fact, quite likely would – make mistakes. They showed a tolerance of such mistakes, but also (as described in the previous chapter) because not every mistake would show up in the KPIs results.

Even accounting graduates faced difficulties in carrying out their bookkeeping tasks in the beginning of their employment. One Junior Staff member (Interviewee #9), despite having an honours degree in Accounting, admitted that she was struggling in her work:

I graduated with an honours degree [...] In the beginning, my performance in Galaxy was not as good as my performance at school. I was always good in school [...] I thought about quitting when the KPIs results dropped. I was thinking 'I don't fit this job; I don't want to do it' – something like that. But, because of the contract, I did not quit.

So, even employees who were accounting graduates, or who had some kind accounting educational background, also made mistakes (e.g.) in account-coding because they frequently did not have any first-hand experience of bookkeeping. Thus, although employees with an accounting educational background may understand the technical aspects of bookkeeping practice better than their contemporaries who had different educational backgrounds, they still did not necessarily excel (or exceed) in their relative performance.

The way in which inexperienced employees enact SOPs and routines

In respect to knowledge, Burns and Scapens (2000) mentioned a little, or at least inferred, about how inexperienced actors, or actors who lack stocks of knowledge, enact rules and routines. For instance, Burns and Scapens (2000, p. 17) claimed that one source of resistance to change is: "resistance due to a lack of capability (knowledge and experience) to cope with such change". However, Burns and Scapens (2000) did not really explain how different actors might

actually cope with a lack of stock of knowledge or experience, when enacting new rules.

In the case of Galaxy, the process of enacting SOPs and routines for inexperienced employees was certainly more complex than that of experienced employees. In the learning period, inexperienced employees usually would not know which SOPs and routines might (or should) be enacted for particular tasks, and had difficulties in making appropriate judgments and/or taking appropriate actions (d'Eredita & Barreto, 2006; Lam, 2000; Nonaka, 1994; Polanyi, 1964; Tsoukas, 1996). As a consequence, inexperienced staff usually made conscious choices by engaging in interpretation, analysis, and 'search' activities (March & Simon, 1993). These search activities included referring to manuals and the archival database and also engaging in social interactions such as asking experienced staff and contacts in local business units for advice and guidance (Nonaka, 1994; Pentland & Feldman, 2005; Pentland & Reuter, 1994; Tsoukas, 2003).

According to a Junior Staff member (Interviewee #20, graduate in International Relationships), when she had to handle an unfamiliar task in her early days in the company, she tried to solve the problem on her own by looking through the archival database and then by asking experienced colleagues for advice:

First, I had to think about it before I went to ask others. When I couldn't sort it out, I had to ask others. Some colleagues suggested me go through the archival database. If I still couldn't sort it out, I went to ask my Team Manager.

These 'search activities' demonstrate that merely having SOPs and routines (i.e., detailed work instructions) and other formal sources of knowledge (e.g., manuals and training) does not necessarily help inexperienced staff to know 'how to actually do things' (Lilrank, 2003; March & Olsen, 1989, 2008; Nelson & Winter, 1982; Pentland & Feldman, 2005, 2008; Pentland & Reuter, 1994; Reynaud, 2005).

As has been mentioned already, tacit knowledge was an important part of the enactment of SOPs and routines (Burns & Scapens, 2000; Giddens, 1979). In a situation where staff did not know immediately which SOPs and routines to be

performed in specific time and space and did not acquire speed and accuracy, it means staff did not yet acquire tacit knowledge and routine actions (or shared habits) (Cohen & Bacdayan, 1994; d'Eredita & Barreto, 2006; Eraut, 2000; Hodgson, 2008; Lam, 2000; Nonaka, 1994; Polanyi, 1964; Postrel & Rumelt, 1992; Tsoukas, 1996; Wright & Noe, 1996). Newcomers normally lacked tacit knowledge, since most of them were fresh graduates, not having first-hand experience in bookkeeping. Tacit knowledge would help in the selection and enactment of SOPs and routines, as reflected by how the more experienced employees performed their tasks.

The empirical evidence indicates that tacit knowledge in bookkeeping at Galaxy was usually acquired via the repetition of actions and interactions over a considerable period of time (Cohen & Bacdayan, 1994; Crossan et al., 1999; Kavanagh & Drennan, 2008; Prietula & Simon, 1989). Such accumulation of tacit knowledge was dependent upon both designed organisational features (e.g., fragmented tasks, SOPs, archival databases, training, manuals, and SAP technology) and social interactions (e.g., coaching, asking, and coordination). Most staff seemed to take around three to five months to acquire tacit knowledge, as far as could be reasonably observed. This estimate came from interviews in which an employee was asked how long was it before s/he could carry out more or less all of the bookkeeping tasks without engaging in a considerable amount of search activity, how long s/he felt 'settled' in their work, and how long before s/he felt in control of their work accuracy.

Staff usually gained rote learning in their earlier days; enabled and helped along by standardisation of tasks, SOPs, etc. The repetition of actions and interactions via practice also helped staff to learn, converting 'explicit' knowledge in the likes of manuals and the archival database into 'tacit' knowledge (Eraut, 2000). Also, as described above, experienced employees too played a significant role in the learning process for inexperienced staff. Extensive SOPs and routines, training, manuals, etc., can guide inexperienced employees towards the necessary steps to be taken; but, still they usually would not know where to start or how to proceed in particular tasks, and there could also always be different understandings of the various SOPs and routines.

Interestingly, the Quality Assurance Team Manager (Interviewee #5) claimed that many manuals were not necessarily useful in practice: “There are too many manuals to go through. And, staff may not know what to read”. Also, training rarely (if ever) covered the details of particular bookkeeping tasks or related SOPs; for instance, the various specifications across different countries, a key issue for bookkeeping in practice, were not covered in training. In general, the initial training sessions lasted around three weeks, but concentrated on double-entry techniques, SAP technology, organisation-specific facts and details such as structure and terminology, and certain bookkeeping processes. Moreover, since there was an enormous amount of new material being launched at new staff in the initial training, few staff (if any) were able to absorb the entire content.

Several interviewees expressed an opinion that training had given them an overview of their jobs, as well as teaching them some of the more basic functions of the SAP system. However, most interviewees claimed that learning the necessary skills for actual bookkeeping practice came more from on-the-job coaching from more experienced colleagues:

But what actually helps me perform, I think it's [a Senior Staff] or any other team member (Junior Staff, Interviewee #13, graduate in Engineering); I think the form of training which helped me the most was that another team member coached me, something like that. That someone sat with me to coach me helped me the most (Junior Staff, Interviewee #12, graduate in Economics).

It can be said that the preliminary training sessions prepared staff for on-the-job training and the rote learning. And then, informal coaching by experienced colleagues played a significant part in helping the inexperienced staff to develop their understandings of relevant tasks and related SOPs and routines (Cohen & Bacdayan, 1994; Crossan et al., 1999; Prietula & Simon, 1989).

Furthermore, the ways staff in Galaxy coordinated themselves with various contacts in local business units also helped the less experienced employees to learn more. According to a Junior Staff member (Interviewee #9, graduate in Accounting), “It is good to work with [an employee in a local accounting unit]. Although she complains quite a bit, she also makes me pay attention to the details”. So, essentially this highlights that the feedback from an employee in a

local accounting unit triggered appropriate actions for a new-starter at Galaxy (Feldman & Rafaeli, 2002).

This section has illustrated that when staff in Galaxy were relatively new to their tasks, they had to focus lots of attention on enacting extensive SOPs and routines to accomplish the necessary bookkeeping tasks – engaging in interpretation and analysis and undertaking search activities via various artefacts of standardisation and social interactions. Inexperienced employees developed better understanding of tasks and related SOPs and routines, and acquired tacit knowledge and routine actions through the repetition of actions and interactions via practice over time; this was influenced by designed organisational features and social interactions (Pentland & Feldman, 2008). This said, however, inexperienced staff still frequently made mistakes or experienced delays in their bookkeeping tasks, a situation that was not ideal for Galaxy. The next section will discuss the development of an ‘ask culture’ in Galaxy, an important and emergent mechanism which supported learning and continuity of daily bookkeeping, particularly relevant with continuous recruitment of inexperienced newcomers.

6.4.3 The ask culture

This section describes an ‘ask culture’ which emerged in Galaxy, and particularly how this ask culture has become an important mechanism for learning and continuity of day-to-day bookkeeping practices. Appreciating this ask culture also helps to make further sense of the importance of social interactions and experienced employees in terms of the continuity of day-to-day operations in Galaxy.

Indeed, in day-to-day operations, it was common to observe inexperienced employees asking their more experienced colleagues (how) to accomplish particular tasks; newcomers most certainly asked experienced employees for guidance, regularly. Also, when even experienced employees were rotated to a new function – e.g., moving from accounts-payable to accounts-receivable – they would then become ‘inexperienced’ in their new role and also had to ask other colleagues in that new area. Several interviewees expressed how they asked experienced employees for assistance and advice in their early days at Galaxy:

Usually, I would ask experienced colleagues (Junior Staff, Interviewee #16, graduate in International Business); I did not improvise. I was afraid of making a mistake. I did not improvise at all. I would go ask [a Senior Staff]" (Senior Staff, Interviewee #19, graduate in Korean Language).

Asking experienced employees for guidance was acknowledged and entirely accepted, promoted even by Galaxy's management. According to the Quality Manager: "Seniors have the role and responsibility to coach". In such light, the managers were particularly thinking in terms of the potential benefits of asking for achieving the various performance targets. Management preferred the inexperienced employees, particularly newcomers, to ask experienced employees for advice and/or assistance if they had any doubts, rather than make mistakes. In general, staff were shaped to ask, since they felt obligated to accomplish tasks and help to deliver the performance targets:

In the beginning, in my first month, I made the KPI results drop to 92% [...] My team manager complained, and I felt bad. It was like it was my fault, for around two months. But afterwards, I realised that I made mistakes because I was new. So, now, when I'm not sure about something, I'll ask. I'll ask my friends first, then the seniors (Junior Staff, Interviewee #26, graduate in Finance).

There were in fact several things which led inexperienced employees to ask more experienced colleagues for advice in aspects of bookkeeping. First, as mentioned at several points earlier in the thesis, Galaxy had a high staff turnover but also did not usually hire bookkeeping experts. Second, the interconnected and technical nature of bookkeeping tasks and the differing nature of transactions in Galaxy made things difficult for inexperienced employees when drawing on SOPs and routines in performing tasks. Third, Galaxy provided bookkeeping services on daily basis and had to achieve agreed service levels; so speed and accuracy were paramount.

As described in the previous section, tacit knowledge was an important ingredient for the enactment of SOPs and routines in specific time and space. With their tacit knowledge, more experienced staff were usually capable of providing immediate guidance to less experienced colleagues in relation to the enactment of particular SOPs and routines. Indeed, experienced staff were known to be successful in maintaining required delivery speeds. Importantly, a key motivation

which encouraged the more experienced employees to help their novice colleagues was that the various performance targets (i.e., KPIs) were tied to staff incentive schemes, most notably a team bonus (Hodgson, 2008; Langfield-Smith, 1997).

Furthermore, inexperienced staff tended to ask for guidance or assistance from not only their more experienced colleagues in Galaxy but also from contacts in other local business units. With regards to asking contacts in local business units, this had become a regular source of knowledge for inexperienced employees within Galaxy. However, this was not something which management wholly endorsed, since there was some risk in asking internal customers how to carry out local tasks. In addition, Galaxy's management were concerned not to encourage any deviation in their SOPs, since there was such deviation across different local business units. In fact, while still in full support of an 'ask' ethic, the management in Galaxy became a little more proactive over time, with regards to influencing the extent and reach of the growing 'ask culture'. More specifically, Galaxy's management created an 'ask culture' hierarchy. This hierarchy was at some stage handed (as a list basically) to all newcomers. So, for example, newcomers were obliged to ask experienced employees in their teams before asking people in the Quality Assurance Team or contacts in local business units. Indeed, it is interesting to discover that the ask culture was an important mechanism of the continuity of daily operations in a standardisation working environment of Galaxy.

Summing up section 6.3, as argued in Burns and Scapens (2000), experienced agents relied upon tacit knowledge for the enactment of SOPs and routines. On the contrary, when staff were relatively new to their tasks, they had to put in considerable effort to learning and performing tasks, including engaging in interpretation, analysis, and search activities via artefacts and social interactions. Extensive SOPs and routines did not per se render inexperienced staff, lacking tacit knowledge, able to simply know where to start and how to proceed in bookkeeping. Tacit knowledge was an important condition for enacting bookkeeping SOPs and routines in Galaxy. Aspects of acquiring such tacit knowledge included the repetition of actions and interactions via continual practice, designed organisational features, and social interactions. It took a

considerable time for inexperienced employees to develop mutual understandings of bookkeeping tasks and related SOPs and routines; and also for subsequently acquiring tacit knowledge. Therefore, in circumstances whereby Galaxy always had newcomers who tended to enter the organisation with low or none of bookkeeping (or accounting) skills, experienced colleagues played an important role in assisting their less experienced colleagues, particularly in respect of helping the learning process and picking up any slack. An 'ask culture' also emerged, since experienced staff were able to provide instant guidance to their new colleagues, and thus help the latter to carry out their unfamiliar tasks. The continuity of day-to-day bookkeeping operations in Galaxy depended to a large degree on both the designed organisational products and experienced employees.

6.5 Reflection

This theoretically-informed analysis of the case empirical evidence, drawing particularly from Burns and Scapens (2000), sheds light on the complexity (rather than simplicity) of bookkeeping in Galaxy as well as the importance of skills and tacit knowledge. Amongst other things, it has demonstrated that even though Galaxy had extensive bookkeeping-related SOPs and routines, which encoded the more general and rather taken-for-granted assumption of simplified bookkeeping, the actual way through which the bookkeepers handled day-to-day tasks required engagement of sense-making and effortful actions and interactions, rather than mindless and effortless behaviour. The ways in which staff learned to perform the so-called 'standardised' tasks by drawing on extensive SOPs and routines and the way that continuity was maintained in day-to-day operations were all quite complicated processes.

In respect to learning, even though the products of standardisation (e.g., fragmented tasks, SOPs, training, manuals) and SAP technology were provided to help equip employees who entered Galaxy with little or no bookkeeping background, such designed organisational products did not offer inexperienced employees any simple way to know *how* to perform tasks. Bookkeeping training in Galaxy was more or less concerned with preparing staff for rote-learning, and/or they relied on on-the-job training. It was quite common that inexperienced

staff usually engaged in search activities through artefacts and social interactions to accomplish tasks in specific time and space. Staff were unlikely to work independently in their first months and were heavily dependent on experienced employees, as reflected in the ask culture. Principally, the reason for this was that inexperienced staff lacked the required tacit knowledge for the enactment of SOPs and routines.

The analysis (above) has highlighted that the underlying nature of bookkeeping in Galaxy, including the interconnected and technical nature of various tasks and the differing nature of transactions, intrinsically required judgment by bookkeepers; and, subsequently involved interpretation and analysis. In other words, bookkeeping routines in Galaxy required sense-making repetition of actions and interactions. Such underlying features of bookkeeping were not ideal in Galaxy's standardised working environment, because judgment, interpretation and/or analysis can all impede speed and specialisation (Levitt, 1972; Markland, Vickery, & Davis, 1998; Wright and Noe, 1996). Indeed, such characteristics of bookkeeping in Galaxy complicated both the enactment of SOPs and routines, and also the acquisition of tacit knowledge and routine actions (or shared habits). In order to enact SOPs and routines appropriately, it would appear that staff needed to comprehend double-entry techniques, SAP technology, various organisational-specific elements (e.g., accounts, processes, and terminology), the variety of transactions, the broad nature of Galaxy's business, and the interconnectedness of tasks and related actors. In particular, varying the details of transactions and having different situations could all make seemingly simple things quite complicated. For instance, one bookkeeping task that, on the face of it, would appear quite simple, was a posting for the monthly beverage bill; however, one month, this became significantly more complicated when another subsidiary company shared the cost with Galaxy and, in which case, staff had to learn how to do a (complex) intra-group posting.

The interpretation of empirical evidence obtained from Galaxy has stressed that the repetition of actions and interactions via ongoing practice (i.e., accumulating experience), more so than any particular educational background, was key to developing better understanding of bookkeeping tasks and to acquire the necessary tacit knowledge and routine actions. As mentioned above, most staff

took around three to five months to become familiar with all their bookkeeping tasks and to be able to work independently. This said, Galaxy staff never really stopped learning. Interviewee #11, who earlier was quoted as being like “a robot”, eventually was promoted to the position of senior officer. At this point, however, the same interviewee said: “I am still learning. Even nowadays, I sometimes ask others”.

Furthermore, the case analysis has demonstrated that maintaining continuity in day-to-day bookkeeping, or continual reproduction of institutionalised rules and routines, was a very complex process, which required much effort from both operational staff and management. This process was particularly difficult due to the constant high staff turnover, and because the hiring of inexperienced candidates literally became a norm characteristic for Galaxy. This combination of constrained manpower, strict performance targets, and a considerable learning period for new staff was a cocktail which caused much tension in day-to-day operations. In essence, the day-to-day scenario in Galaxy was one where many and constant streams of newcomers made mistakes and caused delays; they struggled both to learn and actually perform the necessary bookkeeping tasks. While the more experienced staff were already under pressure to handle their own responsibilities, they also found themselves coaching the newcomers, picking up a great deal of slacks, and frequently being rotated in jobs to try to plug knowledge gaps. Needless to say, this was far from being a situation of simplified bookkeeping, as the traditional (and SSC) bookkeeping literature would profess.

The field evidence (above) also highlights a distinct and emerging ‘ask culture’ which was an important mechanism for the continuity of daily operations (i.e., the reproduction of institutionalised rules and routines). The provision of bookkeeping services on daily basis, in this particular organisational setting, required instant and continuous guidance about the SOPs and routines from the more experienced employees, in order to help the inexperienced staff to accomplish their tasks timely and accurately. This reflects the significant role that experienced staff played in relation to the continuity of daily operations (i.e., the reproduction of bookkeeping routines), on top of more widely cited designed organisational features.

Finally, the case study analysis has exposed a gulf between the widely held assumption of 'simplified' bookkeeping on the one hand (in addition to influential templates in practice such as the SSC model) and the incredibly *complex* nature of bookkeeping practices in the real organisation. It is due to this gulf and the mismatch between what is assumed about bookkeeping more generally and what bookkeeping actually constituted in practice, that I observed considerable tensions and a necessity to rely on 'other things' (e.g., an 'ask culture'). The broad and taken-for-granted assumptions surrounding bookkeeping influenced much of the corporate approach towards it, for instance a limited staff budget which, in turn, contributed towards high staff turnover and a tendency to recruit low skill employees. However, this personnel set-up caused many problems because, *in practice, bookkeeping was simply not simple*. The analysis (above) has attempted in particular to illuminate some of the rather under-explored, complex dimension of SSC bookkeeping in practice, as well as some of the 'substitute' mechanisms for still achieving continuity in day-to-day bookkeeping practice.

The next chapter will reflect further upon the above analysis, but more in the light of relevant literatures on bookkeeping and shared services in accountancy; the aim of this next chapter is to extend some of the arguments being touched on (only) or hinted at above, and also to highlight the specific contributions and implications for both academic knowledge and practice.

CHAPTER 7 CASE DISCUSSION

The case study of Galaxy offers an interesting and different perspective of SSC bookkeeping. In the previous chapter, analysis of the data obtained in Galaxy, using a theoretical lens of Burns and Scapens (2000), has demonstrated that standardisation and ERP technology, as advocated in the shared services model, did not make bookkeeping practices in Galaxy simple and low-skilled, nor was the learning process made any easier. The routinised and standardised SSC bookkeeping tasks engaged sense-making repetition of actions and interactions, rather than the mindless behaviour; and the necessary acquisition of tacit knowledge and routinisation of action depended on designed organisational features, social interactions and repetitive action(s). Such insights into SSC bookkeeping have been developed via an interpretivist case study that focuses on the social construction of SSC bookkeeping, and the ways it was embedded in the broader context (Ahrens et al., 2008; Hopper & Powell, 1985; Hopwood, 1976, 1987; Humphrey & Scapens, 1996; Laughlin, 1995; Lukka, 2010; Ryan et al., 2002). The investigation has considered different organisational arrangements which were shaped by taken-for-granted assumptions of simplified bookkeeping – e.g., the recruitment policy; products of standardisation such as fragmenting tasks, SOPs, training, and manuals; ERP technology, and the interactions of actors. In particular, the case analysis in Chapter 6 has highlighted the ways through which employees learned and performed bookkeeping tasks.

In-depth interviews allowed me to understand (or access) the social realities of interviewees, including the effort they put into learning and accomplishing bookkeeping tasks and their interactions with other colleagues, the management, and contacts in local business units. Such data obtained from interviewees was particularly helpful to interpret the ways in which SSC bookkeeping was embedded in the daily operations, and subsequently to gauge the extent of simplification and deskilling of SSC bookkeeping. Although some (e.g., positivist) accounting researchers might perceive such subjective data to be weak (Kvale, 2007; Ritchie & Lewis, 2003), the case study here reveals that the subjective data is paramount for understanding how SSC bookkeeping functions in practice as well as its ongoing interaction with social actors.

This chapter now further reflects on the case study in the light of the relevant literatures on bookkeeping and shared services in order to develop meaningful, relevant knowledge of the SSC bookkeeping phenomenon (Ritchie & Lewis, 2003). Indeed, this thesis enhances knowledge of SSC bookkeeping and the organisational model of SSCs. Moreover, the case study reflects different perspectives of today's bookkeeping and modern-day bookkeepers. Knowledge which is created by the case study also links well with the perceptions at a wider level about bookkeeping. In terms of theory, the case study helps to refine some of the ideas in Burns and Scapens (2000), thus broadening its capacity as a theoretical lens. This includes the capacity to link institutions at the macro level and the extension of the process of enactment of organisational rules and routines. Furthermore, the case study makes contributions to the knowledge of organisational routines, in particular mechanisms for the reproduction of organisation routines and the continuity of day-to-day (routine) operations in an organisational setting which has high staff turnover. Then, this thesis also contributes new knowledge of the dynamics and challenges of SSC bookkeeping, which practitioners in particular need.

This chapter is structured into three sub-sections. Section 7.1 provides more reflection on the contribution of the case study. Section 7.2 specifies contributions to the respective practices of accountancy and shared services. This section also proposes some contributions to Burns and Scapens' (2000) theoretical framework, and offers the useful concepts to organisational routines research. Finally, in section 7.3, there is a discussion of some implications of this study for SSC practitioners.

7.1 Further discussion of the case study

The interpretation of the case study presented in the previous chapter offers a different perspective on the bookkeeping phenomenon from the way it is generally perceived in modern days, particularly SSC bookkeeping. The widely held perception of bookkeeping is that, in this age of advanced computerisation (i.e., Stage Three), bookkeeping is a low-skilled and simplified practice; and the image of bookkeepers is usually one of negative characteristics such as dull,

unimaginative and single-minded (Jeacle, 2008; Kirkham & Loft, 1993; Warren & Parker, 2009; Wootton & Kemmerer, 1996). In particular, the extant shared services literature conveys that SSC bookkeeping is not complex to train users (Bangemann, 2005; Seal & Herbert, 2013). However, the following reinforces that, on the contrary, SSC bookkeeping is not a low-skilled and simplified practice, and that SSC bookkeepers are not 'dull clerks'.

The analysis of empirical evidence (Chapter 6) has illustrated that even with a high level of standardisation and SAP technology, the routinised and standardised bookkeeping tasks in Galaxy engaged 'sense-making' repetition of actions and interactions (Pentland & Feldman, 2003). This finding contradicts with the widely held perception that bookkeeping engages mindless or effortless repetition of actions and interactions. To repeat a quote from earlier, Wootton and Kemmerer (1996, p. 582) argued that: "the bookkeeper was not expected to make decisions involving reasoning or analysis". However, the case analysis here has revealed that bookkeeping tasks in Galaxy were complex; they intrinsically required judgment and subsequently both interpretation and analysis. To select and enact relevant, extensive SOPs and routines efficiently, staff had to comprehend the interconnected and technical nature of standardised tasks and be familiar with the varied nature of transactions. Knowledge of double-entry techniques, SAP technology, and organisational-specific elements (e.g., a chart of accounts, processes, terminology, and an organisational structure) was also required.

Importantly, enacting SOPs and routines was conditional on transactions. A variety of transactions and (varying) details of transactions in Galaxy required judgment and application. When discussing the extent of simplification and deskilling of SSC bookkeeping, the literature on shared services seems to overlook or neglect transactions (Bangemann, 2005; Seal & Herbert, 2013). However, the present case study illustrates that the nature of transactions plays a large part in bookkeeping, and for which even a high level of standardisation could not fully control them. Therefore, to consider the extent of simplification and deskilling of bookkeeping practices, the nature of transactions must be taken into account; otherwise, we will not have a whole picture of bookkeeping. Furthermore, the created webs of related actors of tasks in different space made

real time communication via email become an important part of bookkeeping, and subsequently demanded a communication skill set of the required language (Cacciaguidi-Fahy et al., 2002). Bookkeeping in Galaxy was concerned not only with numerical data, but also with communication in another language. Indeed, enacting SOPs and routines in Galaxy was conditional on the underlying nature of tasks, input data, and situational contexts (March & Simon, 1993).

According to Nelson and Winter (1982), such complexity of bookkeeping in Galaxy, including the interconnected and technical nature of tasks and the varying nature of transactions, demanded a great deal of tacit knowledge, for the purpose of efficiency in the enactment of SOPs and routines:

The knowledge contained in the how-to-do-it book and its various supplements and analogues tends to be more adequate when the pace of the required performance is slow and pace variations are tolerable, where a standardised, controlled context for the performance is somehow assured, and where the performance as a whole is truly reducible to a set of simple parts that relate to one another only in very simple ways. To the extent that these conditions do not hold, the role of tacit knowledge in the performance may be expected to be large (p. 82).

The 'ask culture' in Galaxy reflects the tacit knowledge which is required to perform bookkeeping tasks in a standardised working environment of SSCs (enacting SOPs and routines of SSC bookkeeping) is more challenging than usually recognised (or anticipated) in the literature (Bangemann, 2005; Seal & Herbert, 2013). Indeed, the case study actually reflects different knowledge perspectives that are required in SSC bookkeeping. The existing shared services literature gives a sense that today's bookkeeping, SSC bookkeeping in particular, does not require tacit knowledge and/or experience because it is assumed that SSC bookkeeping knowledge is easy to acquire (Bangemann, 2005; Cooper & Taylor, 2000; Seal & Herbert, 2013). However, the above analysis has shown that tacit knowledge and/or experience was essential to perform routinised or standardised tasks, and that the complex process of acquiring tacit knowledge and routine actions (or shared habits) took a considerable period of time to achieve. The aspects of complexity underlying bookkeeping in Galaxy impeded the speed and quality of learning SOPs and routines. For example, double-entry techniques were complex and difficult for staff who did not have an accounting background; moreover, it took time for all staff, even those with an accounting

background, to learn SAP technology, transactions variety and some of the organisation-specific elements such as the chart of accounts, terminology, and organisational structures. Indeed, as one interviewee stated, bookkeeping in Galaxy was: “not *just* about writing debits and credits” (Interviewee #8, graduate in Marketing, *emphasis added*).

The management at Galaxy acknowledged the importance of tacit knowledge in day-to-day operations, and that it was not easy to help inexperienced staff acquire tacit knowledge within a short period of time. According to the Quality Assurance Team Manager (Interviewee #5), even with a high level of standardisation, the development of tacit knowledge was not easy: “We lacked a platform to deliver knowledge. We do have knowledge; we have specialists and seniors, but we do not have a platform to transfer knowledge to newcomers”. The development of tacit knowledge and routine actions, or experiences, was indeed complex. It depended on three main elements, namely: the designed organisational products (e.g., fragmented tasks, SOPs, training, manuals, and the SAP system), social interactions (e.g., coaching and coordination), and repetition of actions and interactions through practice over a considerable period of time, which was around three to five months of time. In this SSC, inexperienced staff, even accounting graduates, were unable to simply learn and perform standardised tasks by merely attending the training sessions, reading manuals, and going through the archival database. Coaching from experienced staff and overall coordination helped to develop the understanding of tasks and the related SOPs and routines. Even in the implementation period of Galaxy, pioneer staff had to depend a lot on contacts in local accounting units. Moreover, staff had to repetitively perform tasks to acquire tacit knowledge and routine actions, or experiences.

In 2011, the Managing Director implemented a binding employment contract of one and a half year. If a staff member was to resign before this period, s/he was obligated to pay back a certain amount of money to Galaxy. Such an act was taken, since the high turnover of staff affected the cost of trainings and the continuity of daily operations. The implementation of an employment contract implies a complex process of learning, and that the importance of tacit knowledge and experience was acknowledged by the management. One of the reasons that

staff left the organisation was that other SSCs offered higher salary than what was being offered to them. Brain drain also suggests that there are some other SSCs which better value first-hand experience in SSC bookkeeping.

The discovery of complexity in bookkeeping, a considerable learning period, and the importance of experience in Galaxy questions how far a shared services model brings about simplicity and deskilling in bookkeeping. Knowledge in the relevant books, e.g., claims of the consulting companies and shared services literature in academia, gives a sense that standardisation or scientific management in the shared services model further simplifies and deskills bookkeeping (Bangemann, 2005; Seal & Herbert, 2013). However, Strom (1987) argued that standardisation or scientific management does not necessarily reduce bookkeeping to a 'simple' process. Based on the case study here, it is questionable whether the shared services model merely transfers bookkeeping activities to SSCs. For instance, in spite of SAP (or ERP) technology, the account-coding task of bookkeeping still requires some interpretation and analysis, similar to what happened in the early days of accounting information systems (Blewett & Jarvis, 1989; Ginzberg, 1980). According to the Quality Manager, the shared services model merely transferred bookkeeping tasks to Galaxy, without significantly changing its underlying nature:

I mean we can't expect them to deliver immediate quality [...] I mean you can't compare someone who has been doing the job for 15 years with someone who took over for just a few months.

This Quality Manager was a former staff member in the local business unit of a country, and she had first-hand experience of local bookkeeping before SkyHub was established; she also helped with the transfer of local tasks to Galaxy. Therefore, her opinion was valuable in order to understand the bookkeeping practices before and after the introduction of the shared services model. Also, to repeat a quote presented in Chapter 2, a professional accountant, an interviewee in the study of Herbert and Seal (2012), mentioned that: "the SSO only does exactly what we did before" (p. 89). Importantly, it was somewhat of a paradox that the shared services model could actually complicate bookkeeping. The created webs of actors involved in various tasks influenced communication-by-email into becoming a key part of the bookkeeping process, which subsequently demanded communication skills in a required language (Cacciaguidi-Fahy et al.,

2002). Moreover, a decoupling of bookkeepers (i.e., the staff in Galaxy) from the transactional contexts (i.e., local business units) made it difficult for the former to comprehend the variety of transactions and the varied nature of business.

And, therefore, it is questionable that the taken-for-granted assumption of simplified bookkeeping in the shared services model is socially constructed to achieve global labour arbitrage. By perceiving SSC bookkeeping as a low-skilled and simplified practice, organisations are able to set up SSCs in low-cost countries and allocate limited staffing budgets to SSCs. In particular, this socially constructed assumption is crucial in the initial phase of the shared services project. In this respect, it is worthwhile repeating the following comments of the Managing Director:

There was a big resistance, because nobody [local business units] could imagine that this could work – with different languages, with different time zones [...] with people who are just freshly hired from university, starting out here, maybe trained for just a few weeks, then doing those things so that nobody could imagine that it works [...] So, really we [the shared services team] had to convince many that other companies have done it already, including companies who have even more difficult structures than we have, yet they have achieved it.

These comments (above) convey that to receive support from local business units for implementing the shared services model (i.e., the transfer of bookkeeping activities to SSCs), the head office had to convince these local units that SSC was 'so simplified' that staff in offshore locations would be able to perform the various tasks.

The high staff turnover in Galaxy helped to expose the complexities surrounding the learning and performance of standardised bookkeeping tasks as well as their day-to-day continuity. If the staff turnover had been lower, the tensions in daily operations (e.g., drops in KPIs results and the significant work effort needed from the operational staff) would have also probably been lower. As such, it would be difficult to recognise or appreciate challenges of performing SSC bookkeeping, or its complex dimension. As demonstrated in the previous chapter, inexperienced newcomers were able to learn the skills required for the fulfilment of their job, albeit quite slowly. For instance, interviewee #11, who described herself as 'like a robot' in her early days at Galaxy, eventually passed the

assessment for promotion, and, after one year, she was coaching other newcomers. So, the management at Galaxy had some grounds for thinking that it was possible to train-up inexperienced staff. However, as the case analysis has illustrated, the learning process could last a long time, at least three to five months, and could be complex, depending on the designed organisational products, social interactions and the repetition of actions and interactions through practice.

Therefore, one of the key findings from the case study is that, given the complexities of bookkeeping, a considerable learning period, and the importance of experience, it would be wrong to view SSC bookkeeping as a low-skilled or simplistic practice. Equally, it would seem appropriate to view the learning of SSC bookkeeping as a complex process, the nature of which is dependent upon designed organisational products, social interactions, and the repetition of actions and interactions. The case study reflects that a SSC is unlikely to be able to avoid the need to develop tacit knowledge through enacting practices, nor to avoid help from experienced employees by merely having standardised tasks, SOPs, ERP technology, training, and manuals (Lacity, Willcocks, & Rottman, 2008). Viewing SSC bookkeeping as a low-skilled and simplistic practice and underestimating the learning process can result in inappropriate actions being taken in relation to manpower; for instance, it could induce the hiring of staff with inappropriate skills and/or the neglect (and ultimately departure) of more experienced staff. The case analysis has demonstrated that the continuity of day-to-day operations in Galaxy was maintained because of the designed organisational products and experienced staff. SSC bookkeeping was certainly not so 'simple' that inexperienced staff were able to deliver the targeted performance independently.

Nevertheless, even though standardisation and SAP technology did not significantly simplify or deskill SSC bookkeeping, they still made a great contribution in terms of the continuity of daily operations. The fragmented tasks, SOPs, training, manuals, and the SAP system all helped to enable rote-learning and to reproduce routines across a broad spectrum of the organisation. If tasks were not so standardised, it would have been difficult for experienced employees to help out. Indeed, such level of standardisation would seem to be important for the shared services model when there is high staff turnover.

Furthermore, the case study offers a different perspective on bookkeepers. In contrast to the negative image of bookkeepers in the public and academic domain, the evidence here suggests a vibrant character, to the extent to that they had to be mindful, active, adaptive and socialised; bookkeepers in Galaxy were far from 'dull clerks'. It would be reasonable to say that the complexity of bookkeeping and broader circumstances in Galaxy helped to mould the operational staff into such vibrant characteristics. In general, particularly due to the interconnectedness and highly technical nature of the bookkeeping tasks, as well as the variety of and varying details of transactions, to simply follow detailed work instructions (i.e., SOPs and routines) would have been insufficient to accomplish the required tasks efficiently. Bookkeepers in Galaxy had to continually make sense of, or be mindful of, their actions and interactions. They had to make judgments when performing such tasks as data-entry, accounts-clearing, and emailing. In particular, staff members in Galaxy were not merely 'number crunchers'; they even usually had to communicate with related parties in a foreign language, no mean task.

Moreover, the operational staff in Galaxy stayed active throughout their whole journey in the company. In their early months in the organisation, they had to put great effort into learning and performing tasks. After accumulating the necessary experience, they were then challenged by handling their own tasks as well as helping out at a broader level of the organisation (i.e., with newcomers) to achieve the performance targets. In particular, operational staff had to stay adaptable to the normally quite unstable circumstances within and surrounding Galaxy. A high staff turnover usually required rotation of jobs and tasks, the internal organisational structure changed from time to time, and new SOPs for 'best practice' were implemented occasionally. Therefore, the operational staff in Galaxy had to stay adaptable to both additional and new responsibilities as well as new SOPs.

Furthermore, the 'ask culture' reflects that the continuity of daily operations in Galaxy was quite heavily dependent upon the solitary relations at the operational level. Learning and performing tasks did not *just* rely on the richness of organisational products (e.g., fragmented tasks, SOPs, training, manuals, and SAP technology), but also demanded staff cooperation and social interaction. For

instance, it was quite common to see staff walking around to one another to ask for help. Staff asked not only people in their teams but also colleagues in other teams. This made them get to know one another; and they had to cooperate with each other simply to achieve the targeted service levels (Langfield-Smith, 1997). Thus, in summary, it is reasonable to say that in this case of SSC bookkeeping, the complexity of bookkeeping as well as broader organisational circumstances influenced staff into being mindful, active, adaptive, and socialised.

The case study also broadens our knowledge of actual bookkeeping practices, particularly its more 'active' role. The case study reflects that when becoming a core activity in the SSC, bookkeeping was not passively embedded in the organisation, but played a key part in shaping organisational affairs, creating tensions in daily operations, and demanding certain actions and interactions among actors (Hopwood, 1987). In the initial stage, taken-for-granted assumptions of simplified bookkeeping influenced the implementation of high levels of standardisation (e.g., fragmented tasks, SOPs, training, and manuals) and the SAP system, as well as the beginnings of a limited staffing budget. Common and adverse occurrences surfaced, such as operational mistakes, delays, work-overload, pressure, stress, and resignation. This was mostly because the underlying nature of bookkeeping in Galaxy was complex, and thus difficult for newcomers to learn in a short period of time, and so achieving the required performance targets became equally hard.

In general, the operational staff, particularly newcomers, were still put under pressure to achieve the performance targets: "When I did an error, I felt guilty" (Junior Staff, Interviewee #23, graduate in Economics). The empirical evidence illuminates that when bookkeeping activities were concentrated (or became 'core' activities) in a performance-oriented environment of Galaxy (CGMA, 2012; Kris & Fahy, 2003), transactions with small amount were no less important than those with big values. For instance, Interviewee #19 (graduate in Korean Language) described she made an error in terms of the accuracy KPI of a transaction for bin bags by coding it to the account of sundry expense. And, since bin bags could be coded to the account of cleaning or the account of sundry expense, she had been in dispute with a KPI checker. After receiving the clarification, she later shared her mistake with colleagues in her team to prevent the same mistake being made

in the future. The point to be made here is that, with the interactions of staff towards this case, even a transaction of bin bags, which seems insignificant in general, did demand attention and energy from SSC bookkeepers.

Newcomers, who were inexperienced in SSC bookkeeping, usually struggled to learn and perform the tasks, and so mistakes and delays were quite common. Under the situations of high staff turnover and hiring inexperienced employees, in order to achieve the performance targets, bookkeeping in Galaxy demanded certain actions and interactions, or special effort from employees and the management. A character of vibrancy grew amongst staff, and the management also put effort into developing the control mechanisms such as new monitoring reports. Indeed, experienced staff had to put great effort into maintaining the service levels, including coaching and monitoring newcomers and picking up any slack. Staying after normal working hours was also quite common. For instance, interviewees from the account-payable teams shared their experiences that they were usually under pressure in handling a high volume of, and variety in, transactions:

In the past year-end closing, there were only two of us. My co-worker was very new. We both had work-overload. That time I was very stressful. I was so stressful that I did not want to come to work. It was like even when I had gone home, I still thought what I had to do tomorrow. I thought like that every day. It was very work-overload (Junior Staff, Interviewee #8, graduate in Marketing).

Last but not the least, inefficiency in SSCs is a key interest for practitioners, particularly those who consider implementing the shared services model (Selto & Widener, 2004). Insight of the dynamics in Galaxy in this research, including the tension and 'extra' effort from operational staff, surely questions whether Galaxy could claim to have reached high efficiency levels. Recurring mistakes, delays, and beyond-norm working hours imply that Galaxy did not achieve efficiency, in spite of the management's claim of 'satisfactory' performance based on KPIs. However, such undesired outcomes and tensions should not really have been a surprise to anyone. Standardisation and ERP technology in the shared services model did not change bookkeeping to a low-skilled or simple practice; however, the staffing budget became smaller, and the criteria of recruiting operational employees were degraded.

It is interesting to see that the management and the head office accepted the inefficiencies, so long as the quantified KPI results were fine. Indeed, the case analysis has illustrated that there was a *compromise* of performance in daily operations. The Quality Manager even addressed that: “we can't expect them to deliver immediate quality”. With this acknowledgement of complexity surrounding bookkeeping tasks and staffing situations, some mistakes and delays appeared acceptable by the management. But clearly, in the background, the (achievement of) KPI targets had assumed a critical role, such that it became more important as to what was measured and the outcomes of those measures, as opposed to the processes which drove such measures (i.e., a primary focus on ‘ends’ rather than ‘means’). This tolerance of inefficiency in day-to-day operations has also been highlighted in a different study of another SSC. In an empirical study of SSCs (CGMA, 2012), an interviewee from My Civil Service Pension Limited stated that: “Everyone makes mistakes. The key is to learn from it, and if you’re not afraid to share the mistake with other people, they can learn from it as well, and avoid making the same mistake” (p. 6). Moreover, according to the Quality Assurance Team Manager, due to broader organisational circumstances such as high staff turnover and constant hiring of inexperienced staff, things did not seem to improve:

Because of a high staff turnover, it is hard to move forward. Instead of going to the next step of knowledge, we still have to coach about account coding; which accounts to be debited or credited [...] new staff usually make the same old mistakes.

It would appear from both cases, therefore, that a shared services model might be more suitably described as cost-effective as opposed to cost-efficient.

This section has summarised how an in-depth case study has generated useful insights into contemporary SSC bookkeeping practices, extending our understanding of their complex nature, but also their dynamics and the important mechanisms which underpin SSC bookkeeping. The section which follows will now elaborate more on the present work’s contributions to academic knowledge.

7.2 Contributions to academic knowledge

In this section, based on knowledge developed via the Galaxy case study, there is a summarising discussion of the main contributions to academic knowledge. First, the findings in this investigation extend our knowledge of modern-day SSC bookkeeping, which is an under-explored phenomenon (Bangemann, 2005; Selto & Widener, 2004). The thesis challenges the widely held and rather unquestioned perception that bookkeeping practices are 'simple' and low-skilled, and then develops much about the actual complexities surrounding SSC bookkeeping. Second, in light of the case study interpretation, the following will also summarise some proposed contributions to the Burns and Scapens' (2000) theoretical framework which is adopted here. Third, the following summarises meaningful new insights into the field and subject matter of organisational routines, development of which has been called for by multiple scholars working in this area and who particularly seek to develop better understandings of routinised practices in their natural settings (Cohen, 2007; d'Adderio et al., 2012; Feldman, 2000). This section is structured into three sub-sections. Section 7.2.1 summarises the main contributions to the field and knowledge of accountancy and shared services; drawing particularly from the case study findings. Whereas, in sections 7.2.2 and 7.2.3, respectively, contributions to the Burns and Scapens' (2000) framework and to our knowledge of organisational routines will be discussed.

7.2.1 Accountancy and the shared services

The in-depth case study provides valuable insights into the bookkeeping phenomenon. In academic circles, knowledge of contemporary bookkeeping practices, and especially empirical evidence of SSC bookkeeping practices, is scarce. In general, it is perceived that SSC bookkeeping, and bookkeeping more broadly, in this age of advanced computerisation, is a tedious, low-skilled and simplified practice. Moreover, many academics continue to attach a rather negative 'beancounter' image to bookkeepers, without much in-depth study of such thing in recent times. Both bookkeeping practice and bookkeepers receive little respect or credibility in academic works (Baker, 2001; Cooper & Taylor,

2000; Kirkham & Loft, 1993; Wootton & Kemmerer, 1996). However, the deep understanding developed in the Galaxy case study offers a quite different perspective on the bookkeeping practices, and thereby adding to this important body of knowledge.

This thesis contends that SSC bookkeeping should not be taken as a low-skilled and simple practice, and that there is a mismatch between this widely held perception of 'simplified' bookkeeping and actual (SSC) bookkeeping *in practice*. Both arguments are reinforced by the empirical evidence gathered on the complexity of SSC bookkeeping, including the interconnectedness and technical nature of tasks as well as the varying nature of transactions which fed into the bookkeeping process. The thesis argues that routinised and standardised SSC bookkeeping tasks engage sense-making repetition of actions and interactions, rather than 'mindless' or 'effortless' behaviour. This underlying nature of SSC bookkeeping can complicate the learning and performing of standardised tasks; thus, as has been demonstrated, tacit knowledge and/or experience is required to perform the routinised and standardised SSC bookkeeping tasks efficiently. It took a considerable of time for inexperienced newcomers in Galaxy to become proficient at the bookkeeping tasks under their responsibility. In order to acquire the necessary tacit knowledge and routine actions, staff relied on the designed organisational products, social interactions and the repetition of actions and interactions, through practice, and over time. Therefore, importantly, with this complexity in SSC bookkeeping, considerable learning periods, and the criticalness of tacit knowledge and/or experience, the argument is made that standardisation and ERP technology (as espoused in the shared services model) do not necessarily render SSC bookkeeping as a low-skilled and simple practice, nor are the acquisition of tacit knowledge and routinisation of action 'simple' processes.

Furthermore, whereas many accounting scholars seem to take it for granted that bookkeepers are mere 'dull' clerks, unimaginative, and single-minded, the present case study demonstrates that the 'beancounter' image does not accurately represent SSC bookkeepers. Rather, SSC bookkeepers are mindful, active, adaptive, and socialised. In Galaxy, bookkeepers were not doing the same things over and over again, nor were they engaged in mindless actions and

interactions, or being isolated. On the contrary, they had to remain dynamic and be able to adapt to new and changing transactional and organisational contexts. Moreover, they tended to socialise with the others in order to get their job done. Indeed, they were not mere computer operators. As previously explained, such a vibrant character of bookkeepers was shaped by not only the interconnected and technical aspects of tasks and the various nature of transactions, but also the workforce situation in Galaxy, i.e., having a high staff turnover and employing staff with a lower skill set. Such organisational circumstances of Galaxy demanded great effort from operational staff. Therefore, the thesis concludes from this that the nature of SSC bookkeeping tasks and the SSC organisational circumstance will shape a vibrant character of SSC bookkeepers.

In addition, the thesis argues that when becoming a core activity in an SSC, the bookkeeping practice plays a rather active role (Hopwood, 1976, 1987). The case analysis has demonstrated that bookkeeping in Galaxy was not passively embedded, but rather helped to shape organisational affairs, created tensions in daily operations, and demanded certain actions and interactions amongst actors. It can be said that the shared services model does not significantly change the nature of bookkeeping per se, but its role is transformed. Thus, acknowledging such constitutive dimensions enables academics to better appreciate the changing role of the bookkeeping practice over recent times.

A key contribution of the in-depth case study includes extension of our knowledge of the SSC bookkeeping phenomenon. Many large multinational companies adopt the shared services model, aiming at transforming the way that data processing functions, and/or how bookkeeping activities are managed. Therefore, it is important that academics recognise the complexities encompassing the bookkeeping practice and roles of bookkeepers in this age of advanced computerisation.

7.2.2 Burns and Scapens (2000)

The theoretical lens of Burns and Scapens' (2000) 'institutional' framework has played a significant part in shaping the thesis, generating the interesting and valuable arguments and perspective. However, there were the two important aspects of the case study which the Burns and Scapens (2000) did not particularly say so much about. So, in the light of the empirical evidence gathered, two contributions to the Burns and Scapens' (2000) framework are proposed (Humphrey & Scapens, 1996). First, the thesis highlights ideas around a rather unexplored aspect of Burns and Scapens (2000), basically in relation to understanding linkages between their intra-organisational focus and institutions at the macro level. Second, the thesis proposes an extension to our understanding of the concept of the 'enactment' of rules and routines which, in particular, is illustrated when inexperienced actors drew on, learned, and used existing rules and routines in Galaxy. Both contributions, it is argued, promise to broaden the capacity of Burns and Scapens' (2000) theoretical framework, and will now be further explained.

Burns and Scapens (2000) and macro-level institutions

It was during the initial stage of interpreting the field data, using the lens of Burns and Scapens (2000), that a 'problem' emerged of needing to better connect the framework to the institutions at the macro level. As described earlier, early case analysis illuminated the complexities encompassing the bookkeeping practices in Galaxy, which instantly challenged and questioned not only the rather taken-for-granted assumption of simplified bookkeeping in the shared services model, but also the widely held perception of how 'simple' bookkeeping is. Based on this, the thesis also then began more to hone into other key, but closely related, areas such as the extent of simplification and deskilling of SSC bookkeeping, thus challenging the rather prevalent assumption at a wider level that bookkeeping is simple and requires minimal skills.

Burns and Scapens' (2000) framework is usually more useful as a lens for interpretation of *intra*-organisational phenomenon; moreover, it has been criticised by some to the extent that it more or less disregards institutional

phenomena at broader and *extra*-organisational levels (Dillard et al., 2004). However, in Chapter 4, there has been discussion of how this theoretical lens is also capable of relating to 'external' institutions. In particular, this discussion has highlighted how, even though Burns and Scapens (2000) did not focus on external institutions in their framework, *internal* institutional phenomena inherently link to taken-for-granted assumptions at the macro level. Such suggestions pull from new institutional sociology (NIS) theory which, amongst other things, conceptualises how organisational arrangements intrinsically relate to external institutions.

In brief, NIS (including both homogeneity and heterogeneity streams) argues that organisational actions, leading to the implementation of practices and systems, are to an extent informed by macro-level institutions. According to the homogeneity stream, which primarily aims to explain similarities amongst organisations, external environments inform organisational actions and, by implication, the implementation of particular organisational practices and systems. According to this stream, the survival of an organisation depends on its performance in 'isomorphism', rather than any efficiency aims (DiMaggio & Powell, 1991; Greenwood & Hining, 1988, 1996). On the other hand, according to the heterogeneity stream, where the aim is to explain variation in organisational practices, actions are assumed to be the result of negotiations between multiple external institutions (Friedland & Alford, 1991; Greenwood et al., 2011; Lounsbury, 2008; Thornton et al., 2012). While it was made clear at the outset of this thesis that there is no intention to integrate Burns and Scapens (2000) with NIS, being able to link the Burns and Scapens' (2000) framework to macro-level institutional phenomena enables the current work to challenge and question the widely held perception concerning bookkeeping practices.

More specifically, linking the Burns and Scapens' (2000) framework to macro-level assumptions has allowed the thesis to question the widely held perception of simplified bookkeeping. Starting from the institutionalised nature of simplified bookkeeping in the shared services model, interpretation of the empirical evidence began to reveal more dynamics and important, complex mechanisms the bookkeeping practices at Galaxy. This complexity included interconnectedness between assumptions, SOPs, routines, and individuals'

actions and interactions. The case analysis has first presented a seemingly taken-for-granted assumption of simplified bookkeeping in Galaxy, and has explained that situation was not natural, nor necessarily rational, but rather has been shaped and influenced over time by the headquarters, senior managers, consultants, and the widely held view towards the 'simple' nature of bookkeeping. In particular, the case analysis has focused on the ways in which SOPs and routines, encoding the taken-for-granted assumption of simplified bookkeeping, were enacted and reproduced. The case interpretation also has elaborated on how the institution of simplified bookkeeping significantly shaped organisational affairs, created tension in daily operations, and demanded certain actions and interactions from actors.

The case analysis has also revealed the complexities of learning and performing bookkeeping tasks, as well as complexity in the continuity of day-to-day operations. These findings, again, reflect back to the influence of macro-level institutions. A key argument made here is that there is incongruence between the taken-for-granted assumption of simplified bookkeeping at the macro level, and the nature of SSC bookkeeping in practice. In Galaxy, despite a high level of standardisation, the bookkeeping practices in Galaxy had complexities to them, these practices in their broadest sense were not easy to train, and tacit knowledge and/or past experience appeared critical for efficiency. Such an argument, importantly, challenges: "something that is commonly seen as good or natural, and turning it into something problematic" (Sandberg & Alvesson, 2011, p. 32).

Another key and new insight from the Galaxy case is that there seem to be important institutional contradictions and 'institutional masking' at play, whereby things which are assumed generally at the macro level can have an influence on shaping organisational practices but at the same time do not accurately reflect how such practices develop over time in real organisations. So, for instance, in the Galaxy case study we witnessed how, through the 'carrier' of the shared services model (but also senior managers, consultants, etc.) the rather unquestioned notion of 'simple bookkeeping' was put-to-practice, in the sense that management's approach was to accept high staff turnover, undertake basic training, encourage coordination and an 'ask culture'. In Galaxy, bookkeeping

was evidently seen by its leaders as relatively unproblematic, the assumption of 'simplified' bookkeeping was strongly embedded, particularly at management level. Yet, although what was essentially an institutional myth had (and continued to have) significant influence on the bookkeeping practices which were actually in place, these assumptions and organisational arrangements were non-congruent with actual bookkeeping practices. Everything more or less surrounding bookkeeping in Galaxy was assumed to be simplistic, easy to train, etc.; yet, in practice, Galaxy's bookkeeping was complex and straddled with ongoing problems and dilemmas. This disjointedness between macro (institutional) myths which still exerted key influence on organisational practice on the one hand, and the *actual* practices per se on the other hand, was both a surprising but also potentially quite risky feature in the case study.

In conclusion, this thesis attempts to extend the 'use' of Burns and Scapens' (2000) framework, specifically in relation to linking how intra-organisational arrangements inherently relate to prevailing and institutionalised assumptions at a broader level.

The concept of process of enactment of rules and routines by inexperienced actors

This section proposes extension of ideas surrounding the concept of the 'enactment' of rules and routines (arrow 'b' in Figure 4) (Burns and Scapens, 2000). The enactment of rules and routines "may involve conscious choice, but will more usually result from reflexive monitoring and the application of tacit knowledge about how things are done" (Burns & Scapens, 2000, p. 10). This helps to explain the way in which experienced staff in the case organisation performed their duties in day-to-day operations; however, it does not necessarily explain how less experienced staff carried out their tasks. The concept of enactment of rules and routines is particularly applicable to actors who have already acquired tacit knowledge and routine actions (or shared habits). In other words, the concept relates most to knowledgeable agents who have developed stocks of knowledge (Giddens, 1984; Macintosh & Scapens, 1990). In the light of empirical evidence gathered, an extension of the enacting concept is proposed, as follows: In the case of inexperienced actors, the process of enactment of rules

and routines tends to involve conscious choices, influenced also by various artefacts and social interactions. This proposed extension helps in explaining how inexperienced actors can enact rules and routines and highlights a social dimension to the enactment process.

The previous chapter has demonstrated that inexperienced employees in Galaxy usually engaged a substantial degree of interpretation and analysis, as well as search activities via artefacts (e.g., manuals, the archival database, and training notes) and social interactions (e.g., asking experienced colleagues and contacts in local business units) for the enactment of SOPs and routines (Nonaka, 1994; Pentland & Feldman, 2005; Pentland & Reuter, 1994; Tsoukas, 2003). Inexperienced employees lacked the tacit knowledge which was seemingly a condition for the enactment of SOPs and routines. Therefore, in addition to extensive designed organisational arrangements, the less experienced employees in Galaxy depended heavily on social interactions (e.g., coaching, asking others, and coordination) with other more experienced actors for enacting SOPs and routines. This is particularly so, because social interaction (e.g., asking) represented a way to receive *immediate* guidance about which actions should be taken in specific time and space as well as to develop mutual understandings of tasks, related SOPs and routines, or pattern recognition (Becker, 2004; Cohen & Bacdayan, 1994; Crossan et al., 1999; Feldman and Rafaeli, 2002; Prietula & Simon, 1989).

According to Hodgson (2008, p. 8): “the social and physical environment” is crucial in helping actors acquire routine actions. It is acknowledged in the literature that other than artefacts, social interactions or socialisation is also necessary for the enactment and reproduction of routines (Hodgson, 2008; Nonaka, 1994; Pentland & Feldman, 2008; Tsoukas, 2003): “‘Socialisation’ should be understood as an element of the continuity of social reproduction – of the inherent temporality of social process” (Giddens, 1979, p. 128). Pentland and Feldman (2008) argued that social interaction, or socialisation through practice, is necessary for developing mutual understandings of particular routines. Burns and Scapens (2000) also emphasised that the process of institutionalisation is a social process; more specifically, they argued that institutions (e.g., institutionalised rules and routines) are socially constructed. However, the

concept of enactment in their framework (arrow 'b'), which leads to reproduction (arrow 'c') and institutionalisation (arrow 'd'), respectively, is not explicit about social process. According to Burns and Scapens' (2000) concept of enactment of SOPs and rules, the part which probably relates most to social phenomena is 'reflexive monitoring', although they did not really elaborate on this. However, by drawing further on past literature, reflexive monitoring refers to when actors consciously or unconsciously monitor what they are doing, and also monitoring what others are doing in situated contexts, in order to continually make sense of their actions and possibly expect others to do the same (Busco, 2009; Giddens, 1984; Macintosh & Scapens, 1990; Ribeiro & Scapens, 2006). Reflexive monitoring does not necessarily highlight direct involvement with another actor, which may however occur during the enactment of rules and routines such as via coaching and/or feedback, as was seen in the case study. Moreover, even reflexive monitoring can be largely underpinned by tacit knowledge, which is acquired through repetition of actions and interactions, via social practices, over time – e.g., observation, imitation and on-the-job-training (Nonaka, 1994; Tsoukas, 2003). Indeed, the process of enacting rules and routines of actors is usually significantly underpinned by social interactions; and the importance of tacit knowledge should not be understated.

Therefore, it is important to highlight the social dimension of processes of enactment of rules and routines in Burns and Scapens (2000), in order to highlight that merely having designed artefacts and formal training in place will usually be insufficient for inexperienced actors to know how to proceed, and also to stress the importance of but also difficulty in acquiring tacit knowledge and routine actions (Giddens, 1979): "Naive top-downism assumes that good artefacts (such as SOPs and software) will result in good performances. This failure, to understand the differences between artefacts and actions is not new" (Pentland & Feldman, 2008, p. 245). As a consequence, an extension to the Burns and Scapens' (2000) framework is proposed, for the concept of enacting rules and routines, namely that: In the case of inexperienced actors, the process of enactment of rules and routines tends to involve conscious choices, influenced usually by artefacts and social interactions.

Summarising, this proposed extension to the notion of 'enactment' of rules and routines in Burns and Scapens' (2000) framework helps broaden the framework's capacity for explaining the way in which inexperienced actors, particularly newcomers, draw on rules (or SOPs) and routines. In particular, it has been highlighted here that the process of enacting rules and routines *is a social process*, depending not only on the use of artefacts, but also social interactions. In turn, this highlights that processes of enactment do not 'simply' rely on artefacts, but on the contrary can be quite particularly complicated processes for inexperienced actors.

7.2.3 Organisational routines research

In academia, it has been argued that routines bring continuity to an organisation (Burns & Scapens, 2000; Cyert & March, 1993; Nelson & Winter, 1982; Pentland & Feldman, 2005; Pentland & Rueter, 1994). However, it is also acknowledged that if a web of actors is disturbed, such as when staff leave, this can affect existing routines (Becker, 2005): "The decay of a routine involves the waning of some or all of the interlocking individual habits that are necessary to sustain the routine, or the removal of one or more individuals from the group that performs the routine" (Hodgson & Knudsen, 2004, p. 294). Knowledge of the mechanisms of the reproduction of routines in circumstances of high employee turnover is relatively scant (Cohen, 2007). Indeed, there is little insight into the way routines continue to be reproduced when people leave an organisation. Levitt and March (1988, p. 11) recognised that a high turnover rate can disrupt routines, but merely gave a broad sense that socialisation and control help maintain routines. Cohen (2007), employing the work of John Dewey, proposed that patterns of actions in an organisation are only affected to a small degree by employee turnover, since the habits and emotions of actors shape the same perceptions of appropriate patterns of actions among actors. In order to enhance our understanding of the continuity of day-to-day operations in an organisational setting with high staff turnover, this thesis proposes the concepts of an interdependence of distinct routines and the role of key actors or knowledgeable agents in reproducing unconnected routines, as mechanisms for continuity in a SOPs-based organisation. This is valuable insight; in particular, there have been calls for

further research on the interdependence of different routines (d'Adderio et al., 2012), and it would seem to be in the interest of researchers to understand how knowledgeable agents help to “reproduce these structural features in specific settings” (Englund et al., 2011, p. 20). The theoretically-informed analysis, presented in the previous chapter, sheds light on both mechanisms, as will now be elaborated.

According to the concept of connections created by routines, through coordination (Feldman & Rafaeli, 2002), the actions of actors in the same web created by a particular routine can trigger necessary actions of one another, and subsequently the acquisition of routine actions. Similar to this, Hodgson (2008) pointed out that actors involved in a particular routine play an important role in the reproduction of routines, since their actions serve as a signal for other actors to take certain actions, helping them and others to acquire interlocking-shared habits: “The behavioural cues by some members of a structured assembly of habituated individuals triggers specific habits in others” (p. 8). Such interdependence among actors, connected through a particular routine and helping reproduce routines, was evident in the Galaxy case study, particularly in the form of coordination. For instance, we can recollect the experience of interviewee #9, who learned about routines via complaints from her contact in a local accounting unit. As argued by Feldman and Rafaeli (2002), it is not necessarily so that actors in the same web of a particular routine must be in the same space.

However, this notion of interdependence amongst the related actors of a particular routine, helping its reproduction, does not explain the phenomenon when experienced staff guided inexperienced colleagues for the enactment of SOPs and routines in a broad level of Galaxy. That is, it was common that the experienced employees helped out colleagues who were not connected to them, in relation to tasks which they were responsible for, and across different countries. In other words, these various actors were not connected through the same routines. This thesis has a perspective that ‘multiple’ routines in different countries which emerged from the main SOP were considered ‘distinct’, since they created different webs of actors. In the case study, the same or similar structures of particular routines in different countries, which was provided by the

standardisation, enabled an experienced employee who was responsible for tasks in one country to guide an inexperienced employee assigned with tasks in another country. This was enabled particularly through the application of tacit knowledge and reflexive monitoring (Burns & Scapens, 2000).

Then, with expert guidance from experienced employees, less experienced colleagues were able to take the necessary actions in specific time and space; and, later on, they too would develop their understanding of SOPs and routines of particular tasks. Through such processes, the routines of particular tasks in different countries continued to be reproduced. This implies that in an SOPs-based organisation, distinct routines have an *interdependent relationship*; so, being based on the same or similar structure, they can help in the reproduction of each other. The interdependence of distinct routines, particularly in terms of their reproduction, was implicitly acknowledged by Galaxy's management. That is, they devised a functional organisational structure, where each functional team was made responsible for the same functions in different countries. Such a structure was particularly helpful for maintaining performance in an organisational setting which suffered from having unstable and fluctuating staff levels and difficulties when coaching and monitoring new team members.

Furthermore, the case study demonstrates the significant role of experienced employees in maintaining the continuity of daily operations in Galaxy. We can be reminded of the quote of a Team Manager (Interviewee #10) which illustrates this importance: "If seniors stay, trainers stay, and juniors leave, Galaxy is not affected". In spite of the high staff turnover, key routines in Galaxy continued to be reproduced, and overall (KPI-measured) performance was usually maintained. The previous chapter has illustrated that both the designed organisational products (i.e. fragmented tasks, SOPs, training, manuals and SAP technology) and experienced employees were important to such continuity in Galaxy. However, the case study also highlights the criticalness of an 'ask culture' which, in turn, stresses the importance of experienced staff. Being able to provide instant guidance, the experienced staff had an important role, and quite spread across the organisation. Drawing from Giddens (1984), experienced staff members in Galaxy were considered as 'knowledgeable agents', since they held stocks of knowledge. According to Giddens (1984), knowledgeable agents are

important to the continuity of structures; the continuity of structures depends on purposive, knowledgeable agents and their 'chronically' 'reflexive monitoring' of their actions and others' actions in situated contexts: "Structure has no existence independent of the knowledge that agents have about what they do in their day-to-day activity. Human agents always know what they do in their day-to-day activity" (Giddens, 1984, pp. 26-27).

In Galaxy, where there were many inexperienced staff members, the KPIs results could often drop for a few months. For instance, when many experienced staff left Galaxy at the beginning of 2011, after receiving their bonus, the KPIs results of teams with newcomers dropped off significantly in the first half of that year. Furthermore, there was also an example of when only one experienced actor was able to guide (KPI-measured) performance in the right direction. In 2011, an accounts-payable team took over more tasks from a particular country, entering the new phase. It was well acknowledged in the case that this area had a high volume of transactions, as well as much in-built complexity (e.g., the complication of withheld taxes). However, this transition was rather smooth, since the Team Manager, who was a former senior staff in Galaxy and had been responsible for bookkeeping tasks in this country for many years, usually helped out his team members. According to the Quality Manager in Galaxy, this experienced Team Manager was the key actor in a rather surprisingly smooth transition: "I think it was a very big advantage for us, in particular with the account payable team that [the Team Manager] knows a very deep background of [a country]. He can close his eyes and he knows [a country] by heart". This Team Manager shared his opinion that his team members always asked him.

Therefore, it is reasonable to suggest that in an organisational setting with an unstable workforce, experienced employees are key actors for helping to maintain continuity in daily operations. The important role of experienced employees in the continuity of routines enhances our understanding of the way routines continue to be reproduced in an organisation. In an organisational setting with high staff turnover, merely the designed organisational products (e.g., fragmented tasks, SOPs, the trainings, manuals, and ERP technology) are insufficient for reproducing routines. Instant guidance from experienced

employees or knowledgeable agents is also necessary in these organisational circumstances, helping operations to continue.

Therefore, this thesis suggests that the interdependence of distinct routines and the role of key actors or knowledgeable agents are key mechanisms for the reproduction of routines. Both mechanisms are equally important, as reflected in the case study; the continuity of daily operations depends on well-designed organisational products as well as experienced employees. Indeed, recognising both mechanisms enhances the conceptual explanation of how a SOPs-based organisation with an unstable workforce can still continue to carry on. In the following section, there will be a discussion of the knowledge generated from the case study which is useful for practitioners.

7.3 Implications for practice

The shared services model is a consulting approach and has been employed by large companies since 1990s. Therefore, the private sector, including the consulting firms and organisations, is relatively rich in knowledge of implementing and managing of SSCs (Bangemann, 2005; Keuper & Lueg, 2015; Schulman et al. 1999). Moreover, there are forums in which executives from SSCs can share their experiences and the best practices such as the 'Shared Services & Outsourcing Network' (SSON) and the 'Shared Services Forum UK'. Occasionally, a book on SSCs, written by consultants, is launched; and the professional accounting bodies such as Chartered Institute of Management Accountant (CIMA) and the Association of Chartered Certified Accountants (ACCA) have also issued articles on the shared services model. Even though knowledge of SSCs is available for practitioners, there are new and valuable aspects for practice which can be drawn from the present case study, as follows.

To start with, it will be helpful for management to acknowledge that SSC bookkeeping has the interconnected and technical nature of bookkeeping tasks and involve a variety of transactions, which can complicate learning and performing tasks. Appreciating that learning and performing bookkeeping tasks can indeed be complicated will provide better ground for planning and evaluating

the manpower arrangements, such as staffing budgets and staff policy (e.g., recruitment, training, assessment, and retention). Also, acknowledging the complex nature of SSC bookkeeping will help executives more fully appreciate the difficulties and challenges which operational staff can face. For instance, since the early days of Galaxy, productivity (i.e., the quantifiable outputs) such as the number of posted invoices was one of the criteria for an employee performance evaluation (salary). However, some employees raised an issue that employee performance evaluation should not rely heavily on productivity, since some tasks and cases could be more complicated than others, and because communication via email – which was part of accomplishing tasks – could consume much time. As a consequence, after acknowledging that carrying out tasks in Galaxy could be complex, the management no longer heavily relied on productivity for employee performance evaluation, at least for some staff members.

In particular, practitioners should be careful with the interpretation of a skill set which is required for SSC bookkeeping. The concept of bookkeeping SSCs can lead to the interpretation that anyone is likely to be able to be trained to work for SSCs. Such interpretation may in turn result in hiring employees with inappropriate skills as well as underestimating the importance of experienced staff. Even though bookkeeping experiences may not be highly valued in the age of advanced information technology (Cooper & Taylor, 2000) and the SSC environment (Bangemann, 2005; Seal & Herbert, 2013), this case study clearly shows that with its complex nature, first-hand experience is important in SSC bookkeeping. The management officially recognised the importance of accumulated experience and also the cost of employee turnover, when (in 2010) they launched the term of a minimum duration of eighteen months in the contract of staff employment. Moreover, as was mentioned, from time to time experienced staff moved to another SSC which offered better pay. This shows that there are SSCs which are willing to pay more for, and by implication, recognise the importance of accumulated experience.

Furthermore, recognising the complexity encompassing bookkeeping practice will help executives make better sense of why efficiencies in the SSC are not easily obtained, and must require great effort. The lists of success factors in

implementing SSCs, as available in consulting books and the forums to share experiences of managing SSC, indicate that great effort is needed for efficient SSCs. According to Selto and Widener (2004), the issue of efficiencies is a dimension of SSCs which the practitioners, who are considering the shared services approach in particular, seek to have a better understanding of. Indeed, this thesis demonstrates that the very nature of SSC bookkeeping plays a role in (not) acquiring efficiency. That is, given the complex nature of SSC bookkeeping, it is rather difficult for SSCs to generate efficiencies, and can even be achieved only with compromise on performance, if there is not ideal manpower such as continual use of newcomers with lower skills. With such workforce conditions, management would have to put great effort into achieving good performance.

Having said that, there is also a dilemma in recognising the complexity of SSC bookkeeping in practice, since this is incongruent with the constructed assumption of simplified SSC bookkeeping. If consultants were to promote the complex nature of SSC bookkeeping, or executives in organisations acknowledged that the performing of bookkeeping tasks in SSCs is complicated, this would be problematic for them to rationalise allocating limited budgets for SSCs, or even for actually adopting the shared services model. This is because the claim of simplified SSC bookkeeping underpins the transfer of non-core accounting activities away from professional accountants and cost reduction. Nevertheless, the main point in this respect from the thesis is that all relevant parties should not treat SSC bookkeeping a 'simplistic' process.

Furthermore, the professional accounting bodies (e.g., CIMA, ACCA, and CGMA) seem to perceive that by adopting the shared services model, professional accountants or accounting and finance executives remaining in the local units can be free from non-core accounting activities and then concentrate on strategic issues. However, based on this case study, it will be more relevant to actual practices if those professional accounting bodies acknowledge and (subsequently) articulate that people in local units are not fully released from bookkeeping activities. Even though consultants tend to emphasise a customer-orientation in the shared services model, the relationship between Galaxy and its local units is very much one of partnership (Herbert & Seal, 2012; Schulman et al. 1999). Indeed, the local accounting units still take part in the activities of

bookkeeping regarding input and output, as they are responsible for financial transactions and figures: “The SSO [shared services organisation] partnership worked because the SSO owned the processes whilst the business units still owned the numbers. In other words, divisional management remained responsible for the commercial result” (Herbert & Seal, 2012, p. 93). In particular, the empirical evidence here has demonstrated that professional people or contacts in local units were continually affected by a high staff turnover in Galaxy. For instance, it was quite common that the management in Galaxy received complaints about mistakes and delays from local units, where there were newcomers. Moreover, as has been described in the case study, contacts in local units often had to instruct newcomers to take necessary correcting actions from time to time. Therefore, particularly when an SSCs has an unstable workforce (Cacciaguidi-Fahy et al., 2002), the degree of involvement in bookkeeping activities by people in the local units should not be underestimated or overlooked.

7.4 Reflection

This chapter has presented further discussion of the theoretically-informed analysis of the case study (Galaxy), and has reaffirmed some of the main arguments and contributions of the thesis. Contributions towards both academia and practitioner-oriented knowledge are suggested. The key messages are that SSC bookkeeping should not be taken as a low-skilled and ‘simplistic’ practice, and that SSC bookkeepers should not be seen as mere ‘dull’ clerks. More specifically, bookkeeping routines involve sense-making repetition of actions and interactions, and the organisational characteristics of SSCs, including high staff turnover and a strong (KPI-led) performance-orientation, demand great effort from the bookkeepers. Indeed, the present thesis would seem to support a serious rethink of the nature of bookkeeping practice and the roles of SSC bookkeepers.

The thesis also broadens some of the theoretical aspects adopted in the study, most notably in terms of contributions to the Burns and Scapens’ (2000) framework. The case analysis has provided insights into how and why social interactions and experienced actors (or knowledgeable agents) are important for the continuity of day-to-day operations. In respect of Burns and Scapens (2000),

the case analysis has demonstrated that learning SOPs and routines of SSC bookkeeping is a complex and social process, which depends not only on designed artefacts but also on social interactions. This is because inexperienced actors have to 'develop' the mutual understandings of the bookkeeping tasks, as well as related and detailed working instructions (e.g., SOPs and routines). Also, knowledge of the mechanisms of the reproduction of routines in a setting with high staff turnover has been developed. The continuity of day-to-day operations in a SOPs-based organisation, with a high staff turnover, depends on not only the designed organisational products, but also on the relative experience of staff. This is because in a real organisation, time frames become conditional; therefore, immediate guidance and proactivity from experienced staff becomes crucial. Furthermore, the thesis demonstrates that the institutional lens of Burns and Scapens (2000) is capable of relating to extra-organisational institutions.

The next and final chapter provides some concluding remarks to the thesis, including an overview of the research journey, limitations in conducting the interpretive case study, and interesting topics for future research.

CHAPTER 8 CONCLUSION

This thesis enhances the knowledge of SSC bookkeeping in contemporary society. With new insights about SSC bookkeeping, it is hoped that the thesis will encourage readers to rethink the nature of bookkeeping practices and the roles (and skill levels) of bookkeepers. This chapter now provides some concluding remarks and summarises of what has been achieved in the present thesis. In the next section, section 8.1, the research journey is summarised; and then in section 8.2 there is a brief recap of the key findings, contributions to academic knowledge, and implications for practice. Next, in section 8.3, the main limitations in the study are highlighted; followed, in section 8.4, by suggestions for future research. Finally, in section 8.5, are the very final and concluding comments of the thesis.

8.1 Research background and process

The thesis examines the nature of (contemporary) SSC bookkeeping, drawing on the case study of an SSC in South East Asia, a subsidiary of a multinational airline company. This SSC was chosen as the case study, since I personally had good access to the company, and because I was already quite familiar with the organisational setting as an ex-employee. The investigation was triggered by the contradiction which I perceived between the socially constructed assumption of 'simplified' bookkeeping (as is also a given within the shared services model) and my own experience of complex bookkeeping practices in the case organisation. As a former bookkeeper and trainer in this SSC, I struggled with reconciling the widely held view (i.e., of bookkeeping simplicity) and my various difficulties and challenges in day-to-day operations, and also memories of my former colleagues also having similar experiences. At the outset, the thesis aimed to tease out the role of operational employees in a SSC. Alongside this, the extent of how far SSC bookkeeping was becoming deskilled began also to become a key focus of the thesis. However, in time, the complexity of the bookkeeping process in the case study began to be exposed more and more, in particular through the interviews being carried out at the operational level. So, thereafter, the research began even more to seek a deep understanding of the nature of SSC bookkeeping

phenomenon, pulling out the complex dimensions of SSC bookkeeping in practice and contrasting this with widely held assumptions of simplicity. Such an insightful study of contemporary SSC bookkeeping practice is rare.

The relevant literatures on bookkeeping and shared services have been reviewed in Chapter 2, in order to demonstrate the prevalence of a perception that bookkeeping (in this age of computerisation) is simple, including within academia, the general public, and in the professional field of shared services. Moreover, the socially constructed nature of bookkeeping has been demonstrated to provide a ground for challenging the widely held perception of bookkeeping as a simplified practice. In brief, this chapter has illustrated that bookkeeping, including its meaning and the scope of tasks, has changed over time before constituting merely the seemingly mundane, repetitive record-keeping and transaction-processing activities. Moreover, this transition has been underpinned by the aims of cost reduction and the separation of the non-core activities from strategic, value-added accounting.

Chapter 3 has covered the research methodology, more specifically the employment of an interpretative, case study approach. The chapter has emphasised the importance of interpretive accounting research in academia for creating interesting, significant, and relevant knowledge. Importantly, this methodological approach allows a research purpose to be revised during the research process. And, indeed, the task of challenging the widely held view of simplified bookkeeping was something that came out of initial interpretation of the field evidence, using the theoretical framework of Burns and Scapens (2000). Moreover, chapter 3 has elaborated on the details of data collection to assure the rigour of the case study. The data collection was performed in the case organisation from January to February, 2012. The methods of generating the relevant data, including the semi-structured, in-depth interview (thirty-five interviewees from all levels, units and functions of the case organisation), a review of relevant documentation, and observations of the natural setting, have been all described.

The investigation of SSC bookkeeping practice is informed by a conceptual work developed by Burns and Scapens (2000). Chapter 4 has described the Burns and

Scapens' (2000) framework and its key concepts, including the concepts of 'institution', 'rules, and 'routines'. Importantly, the chapter has also made a case for relating Burns and Scapens' (2000) intra-organisational lens to institutions which evolve more at the macro level. Thus, some ideas from new institutional sociology (NIS) have been also introduced in this respect.

Next, Chapter 5 has provided general background to the case study, including its profile and important characteristics – e.g., the importance of 'standardisation', 'workforce', and 'performance measurement'. Galaxy, the main and mature unit of the study, has been presented as the main focus of the analysis, since this unit most closely resembles aspects of the SSC phenomenon – i.e., a high level of standardisation, high staff turnover, and performance-orientation.

In Chapter 6, there has been a theoretically-informed interpretation of the empirical evidence, providing a holistic understanding of the ways in which SSC bookkeeping was embedded in Galaxy. This case analysis has particularly leaned on discussion of how institutions, SOPs, and routines were fundamental to this organisation. Moreover, the (Burns and Scapens-influenced) concepts of 'enactment' and 'reproduction' of rules and routines were useful for making sense of the ways that employees at Galaxy learned and performed the standardised bookkeeping tasks and the mechanisms of continuity in day-to-day operations. Indeed, this analysis has demonstrated that the ways in which the operational staff handled the standardised tasks on a daily basis, engaged sense-making and effortful repetition of actions and interactions, rather than the oft-assumed mindless and effortless descriptions that we see.

Briefly, a recap of the key knowledge created in this thesis will be provided in the next section, below.

8.2 Key findings, contributions to academia, and implications for practice

Chapter 7 has provided an overall reflection on the case study in the wider relevant contexts of bookkeeping and shared services and has also addressed contributions to the academic knowledge, as well as implications for practice. The

main arguments which this thesis aims to convey are that SSC bookkeeping should not be taken as being a low-skilled and simple practice, and that there is clearly a mismatch between the widely held perception of simplified bookkeeping and SSC bookkeeping in practice. The underlying nature of SSC bookkeeping is one of complexity, including the interconnected and technical nature of tasks and variety of transactions. This complex dimension complicates learning and performing standardised tasks, since it intrinsically requires judgment and subsequently involves interpretation and analysis, or sense making repetition of actions and interactions. Moreover, the case study reflects that tacit knowledge and/or experience is important for carrying out standardised bookkeeping tasks efficiently; and, furthermore, is not easily acquired. To acquire tacit knowledge and routine actions depends on the designed organisational products, social interactions, and repetition of actions and interactions through practice, over time. Therefore, the thesis argues that, unlike what is usually espoused in the mainstream (SSC) literature, standardisation and ERP technology do not turn bookkeeping into a low-skilled and simple practice or make the acquisition of tacit knowledge and routine actions simple. Further, in contrast to the prevailing beancounter image of bookkeepers in academia, this thesis also argues that the SSC environment, involving the sense-making standardised bookkeeping tasks, usually having high staff turnover, hiring inexperienced staff, and having strong performance-orientation, tends to shape mindful, active, adaptive and socialised bookkeepers.

In respect of theory, the thesis makes two main contributions towards the conceptual work of Burns and Scapens (2000), thus broadening its capacity in research. First, the thesis shows an extension of the 'use' of this conceptual lens; that is, even though Burns and Scapens (2000) focused on intra-organisational dynamics, such intra-organisational arrangements also inherently link with institutions at broader (e.g., organisational fields and society) level. This is particularly useful in terms of guiding research to challenge the conventional wisdom in a particular area. Furthermore, extension of the concept of 'enactment' of rules and routines has been proposed: In the case of inexperienced actors, the process of enactment of rules and routines tend to involve conscious choices influenced by artefacts and social interactions. This highlights that accompanying artefacts and social interactions play a significant role in learning the detailed

working instructions (i.e., SOPs and routines), and that drawing on existing rules and routines in performing tasks can be complex for inexperienced actors, who are yet to develop in terms of (especially tacit) knowledge.

Moreover, the thesis contributes to organisational routines research by proposing the concepts of the interdependence of distinct routines and the role of key actors or knowledgeable agents as mechanisms of the reproduction of routines in an organisation which has high staff turnover. In brief, SOPs (or standardisation) give the same or similar structures for unconnected routines in different areas, which enables the experienced or knowledgeable actors to apply their tacit knowledge in helping to reproduce those distinct (or unconnected) routines across an organisation. This knowledge advances our understanding of the mechanisms of continuity in a SOPs-based organisation which also continually has staff turnover challenges.

As for implications for practice, the thesis suggests that it will be helpful for executives to acknowledge the complexity of SSC bookkeeping and not to treat SSC bookkeeping as a low-skilled and simplistic practice. Such acknowledgment will help them develop a better sense of what is going on at the operational level and why efficiency is not easy to be gained and take appropriate actions, specifically in respect of manpower. Moreover, even though the fields of shared services as well as the professional accounting bodies claim that the shared services model is able to release a professional group in local business units from bookkeeping activities, the case analysis has demonstrated that those people in local units still had to take part in the bookkeeping to a certain extent. Therefore, the thesis proposes that professional accounting bodies better acknowledge and articulate the responsibility of local units in order to not mislead its members that the shared services model can free contacts, professionals, or executives in local business units from all bookkeeping activities.

The thesis contributes to academic knowledge and also has implications for practitioners. Nevertheless, there are some limitations to the thesis, as is explained in the following section.

8.3 Limitations

Even though, the thesis creates valuable knowledge as specified above, there are three limitations of this interpretive, in-depth case study, identified as follows. First, by nature, the interpretative accounting research search has the limitation on generalising its findings (Lukka & Kasanen, 1995; Ryan et al., 2002). So, the arguments in this thesis are not to be applied to another setting without due care. Nevertheless, this said, generalisation is not a purpose of this thesis. Rather, this thesis investigates the SSC bookkeeping phenomenon in a single case study, with the purpose of developing a better understanding of a contemporary, important but under-explored area, and particularly (as it transpired, at least) for raising awareness about the complexity of today's bookkeeping. Furthermore, the contributions towards the Burns and Scapens' (2000) framework, as well as our knowledge of organisational routines, can inform other qualitative organisational research in future years (Humphrey & Scapens, 1996; Lukka & Kasanen, 1995; Ryan et al., 2002; Yin, 2009). In particular, the proposed extension to the use of Burns and Scapens (2000) for integrating the shared taken-for-granted assumptions (institutions) at the macro level into their *intra*-organisational framework presents an interesting research avenue for the future.

Second, regarding data collection, the interviews included actors from all levels, units and functions of the case organisation, in order to gain a holistic view of the bookkeeping phenomenon. However, contacts in local business units, who were able to give a point of view of the staff performance in the case study, were not actually chosen as research participants in this study. Based on my past work experience in the case organisation, both parties had a rather sensitive relationship. Therefore, in order to not cause any issue between them, which could harm the case organisation (Ryan et al., 2002), access to interview personnel in local business units was not initiated. Nevertheless, the review of documentation such as meeting minutes and coordination emails helped obtain some relevant data in relation to local contacts' opinions towards performance of staff in the case organisation.

Third, even though the theoretically-informed analysis of the case study concluded that the existence of assumption of simplified bookkeeping in the case

(particularly at management level) was not purely internally developed, but rather influenced by assumptions at a broader level, the thesis remains relatively silent on the shared services model. It was beyond the purpose of the thesis to investigate the shared services model aspect; rather the focus here was to tease out the SSC bookkeeping practice embedded in organisational context per se. That said, the role and implication of the shared services model in influencing the nature of bookkeeping practices in contemporary society would seem an interesting study for the future.

Despite these limitations, it is hoped that the knowledge created in this thesis has some value to the relevant communities, but as also that it will inspire future research. Based on the findings and their analysis thus far, the next section makes some suggestions for future research.

8.4 Future research

This thesis offers insights into the recent SSC bookkeeping phenomenon. Furthermore, the knowledge gleaned from the case study sheds light on an interesting but scantily researched area and which, however, can broaden our understanding of bookkeeping and shared services. Four potential research topics for the future are now presented.

First, it would be interesting to explore the bookkeeping phenomenon in an SSC which is generous in its budget for the workforce. In the field of shared services, there are some large multinational companies such as ExxonMobil and Shell, which are willing to pay more for staff. Based on the constructed taken-for-granted assumption of simplified bookkeeping in the practice of shared services, it would be interesting to tease out the views of bookkeeping in this service sector (for instance, why do some organisations pay more for standardised bookkeeping tasks?) and to further explore these dynamics and mechanisms through the institutional lens of Burns and Scapens (2000).

Second, knowledge which is created in the thesis provides a ground for conducting a critical accounting research on the topic of exploitation of

bookkeeping labour. In the field of shared services, the assumption that bookkeeping practices can incorporate deskilling is common and constructed. However, regarding bookkeeping labour, the case study indicates that the shared services model does not significantly support or suggest for deskilling in bookkeeping practices. SSC bookkeeping in Galaxy was not so simplified that the inexperienced staff would be able to accomplish tasks in an independent manner. The continuity of day-to-day operations in Galaxy depended heavily on experienced staff, which had to put in a great amount of (extra) effort, beyond norm expectations, such as coaching and monitoring inexperienced employees and picking up slack. In some sense, the major responsibilities of experienced employees in the case reflected this (potential) exploitation of workers. For instance, the experienced employees were not usually the supervisors, but operational staff. It was commonplace that experienced employees had to help operational staff solve their problems. According to the concept of scientific management, however, to handle a high volume of transactions and attain efficiency, staff should just use their labour and leave problem-solving to the supervisors:

Clearly if a worker's execution is guided by his or her conception then management will be unable to impose its own efficiency norms. Thus, work always had to be studied by management and never by workers themselves. There was never a question of having *scientific workmanship* rather than *Scientific Management* (Cooper & Taylor, 2000, p. 560, *emphasis in original*).

This is unlikely the first time bookkeeping labour may be exploited through employing scientific management. By employing scientific management in the age of mechanical tools, female labour seemed to be exploited. Strom (1987) stated that women, who were usually hired for bookkeeping positions in that period, negotiated for higher pay when they realised that they had to engage in hidden skills in undertaking the various and relevant tasks. Based on the case study findings, it can imply that when a claim is made for the deskilling of bookkeeping through employing scientific management principles, bookkeepers tend to be exploited to a certain extent. Hence, in summary, it might be interesting to study whether (and via what means) bookkeeping labour is exploited.

Third, another potential topic for future research is the change phenomenon of shared services at the field level, which may be an indication of an implicit

recognition of the complex dimension of SSC bookkeeping. In recent years, large multinational companies started to sell SSCs to outsourcing companies – e.g., IBM and Genpact (ACCA, 2012; Gospel & Sako, 2010; Rothwell et al., 2011; Sako, 2006). In general, those organisations seem to claim that their SSCs are successful, but they were sold to business process organisations (BPO) to increase the return on assets and stay competitive in the market (Sako, 2006; Rothwell et al., 2011). In particular, it is claimed that by selling SSCs to outsourcing companies, organisations can further gain in terms of labour cost reduction and performance improvement (e.g., fast adoption of ‘best practices’) as well as further free-up executives from bookkeeping duties (Anderson & Vita, 2006; Gospel & Sako, 2010).

The wide adoption of shared services has been theoretically explained as a phenomenon of isomorphism (Herbert & Seal, 2013); however, the present study might question these suggestions – e.g., in respect of recent selling of SSCs. For instance, what causes change in the ‘institutional’ phenomenon at the field level, what underpins such “isomorphic adaptations” (Burns & Nielsen, 2006, p. 451)? There could be a number of reasons for selling SSCs. Nevertheless, previously cited reasons such as performance improvement and releasing executives from bookkeeping might imply that the complexity of SSC bookkeeping is being recognised. Indeed, maybe this reflects a shift from the socially-constructed and taken-for-granted assumption of simplified bookkeeping in shared services? Such potential shift in shared services deserves a thorough investigation. And, in so doing, the work of Seo and Creed (2002) would seem particularly useful as an investigative guide; in Seo and Creed (2002), four sources of institutional change are defined, as well as a concept of ‘praxis’ to help make sense of initiation for change. In particular, such an investigation can start from the present thesis’s arguments which recognise complexities encompassing SSC bookkeeping.

Fourth, the great amount of effort expended by the operational staff in Galaxy suggests an investigation of the influence of national culture on the performance of an SSC. Even though the empirical evidence in this study suggests that the actions and interactions among staff were underpinned by the management control system, it is questionable whether the national culture played a role in this respect or not; national culture might well have had an impact on the accounting

personnel (Cacciaguidi-Fahy et al., 2002; Hofstede, 1980, 1994). For instance, in my old days at the case organisation, a trainer in the headquarters mentioned that while Galaxy's staff would stay at late night for the year-end closing, a staff in Canada (i.e., before having SSCs) simply went home at 5PM. Moreover, when asked about which national characteristic of his staff was most impressive (and rather unique), the Managing Director replied that:

The last flood reflected this very well, and I was absolutely impressed by how loyal colleagues were. They were still coming to the offices even though they were all flooded, and they were struggling to get here.

According to the above quote, the Managing Director was impressed that staff put effort to come to work during the severe flooding in 2011, which severely affected transportation. Such a high level of commitment of staff deserves further investigation. Cacciaguidi-Fahy et al. (2002) suggested that national culture might have impact on individuals' behaviour in accounting organisations but receives too little attention in research. Furthermore, they also suggested that an SSC, usually embedded in a multinational environment, is an ideal unit to be researched as such.

8.5 Concluding remarks

This thesis is not merely story-telling, but rather it offers a contemporary and different perspective on the bookkeeping phenomenon. The knowledge created in this thesis is original and valuable, not least it challenges the socially constructed assumption in the shared services model and the widely held perception that bookkeeping is a low-skilled and simplified practice. The case study demonstrates that, even in this age of advanced computerisation, standardisation and ERP technology do not necessarily make bookkeeping practices low-skilled (or unskilled), simple, and easy-to-learn, by any degree or measure. Routinised and standardised bookkeeping tasks engage sense-making repetition of actions and interactions, rather than mindless or effortless behaviour, and for such tasks the necessary acquisition of tacit knowledge and routine actions is complex and challenging. Standardisation in SSC bookkeeping plays a significant role in learning as well as in the continuity of day-to-day operations; it particularly underpins rote-learning and allows experienced (or knowledgeable) actors to help to reproduce routines on a broader organisational level. The

insights here into the dynamics and various mechanisms of complex bookkeeping practices in Galaxy reveal (e.g.) that SSC organisational circumstances, sense-making bookkeeping tasks, performance-orientation, high staff turnover, and the continuous hiring of inexperienced staff all demand vibrancy and proactivity amongst the bookkeepers. This thesis contends, backed with evidence, that far from being 'dull clerks' and/or simply computer operators, SSC bookkeepers are destined to be mindful, active, adaptive, and socialised.

Furthermore, the thesis also makes some interesting theoretical and conceptual contributions. In respect of Burns and Scapens (2000), the case study inspires a linking of this theoretical lens to wider (i.e., macro-level) institutions. Moreover, close investigation of the actions and interactions of individuals, as well as the complex every-day dynamics and mechanisms of bookkeeping within Galaxy, raised extensions to how we might describe and think about the concepts of 'enactment' of rules and routines, and the 'reproduction' of routines (cf. Burns and Scapens, 2000 – also, Cohen, 2007; d'Adderio et al., 2012; Englund et al., 2011).

By exploring the social nature of SSC bookkeeping, including its interaction with broader organisational processes, such as structural, economic, and social, our understanding of this important organisational practice is extended (Humphrey & Scapens, 1996; Ryan et al., 2002). For instance, the empirical data from the interviews has helped to reveal an interesting constructed mechanism for continuity in day-to-day bookkeeping activity, i.e., the 'ask culture'. Indeed, the thesis hopefully demonstrates how interpretive case-based accounting research can still make interesting and significant contributions to knowledge (Ahren et al., 2008).

As a former SSC bookkeeper myself, I am hopeful that this thesis will encourage some of its readers to embrace the complexities encompassing learning and performing in bookkeeping practices as well as to maintain respect – and resource – for today's bookkeeping jobs and bookkeepers. To some, it is predicted that bookkeepers in the future will be mere computer operators (Cooper & Taylor, 2000), and that SSC bookkeeping is a relatively unskilled process (CGMA, 2012). However, this thesis demonstrates that even standardisation and advanced computerisation cannot eradicate the complex dimensions of

bookkeeping, and that for efficiency to occur, then bookkeepers must be knowledgeable.

Through conducting this thesis, I found it interesting, if not rather disappointing and frustrating, to observe that in spite of the case being a mature organisation, with extensive knowledge, my interviewees were having similar experiences in terms of learning and helping to maintain continuity in day-to-day operations, as I had. When I was inexperienced, I had to put considerable effort into the learning process. And, when I then became experienced, I had to coach other less experienced staff, help pick up the slacks, and be rotated into pressure areas. The case study suggests that things have not really changed; it reflects that because of organisational circumstances in an SSC, the sense-making needed in bookkeeping, the performance-orientation, high staff turnover, and the continuous hiring of inexperienced staff, this effort to learning simply continue from one day to the next will remain. It is regrettably easy to think that if limited staffing budgets are to remain, and there is continuation of the institutionalised beliefs that booking is 'simple' and easy to teach and learn, bookkeepers will never be (perceived as being) nothing but merely 'dull clerks'.

APPENDICES

Appendix 1: List of interviews

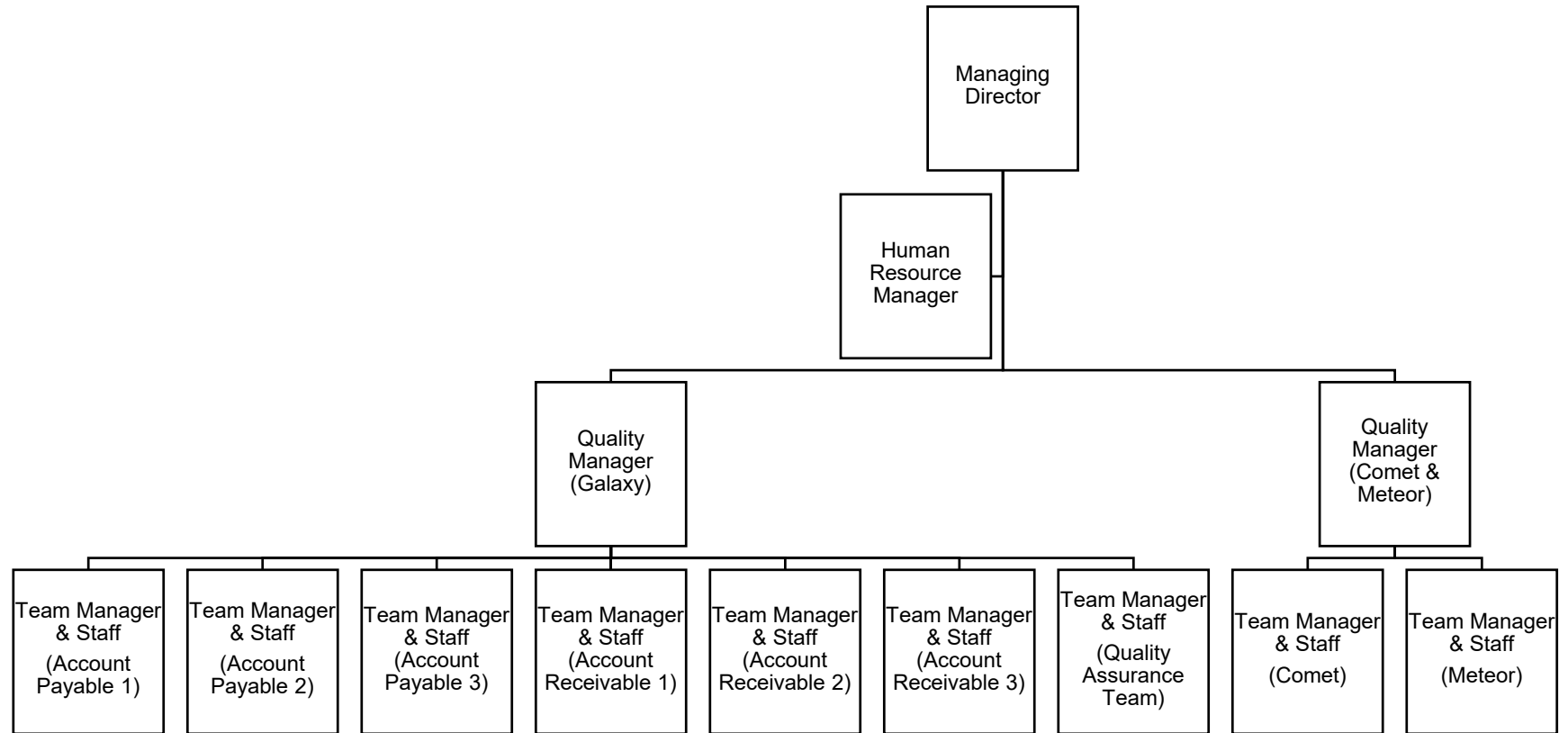
Level	No.	Position	Unit	Team	Interview date	Time: minutes	Starting month in SkyHub	Educational background
Executive Level	1	Managing Director	SkyHub	n/a	16-Jan-12	74	Sep-10	Bachelor of Science in Accounting
	2	Human Resource Manager	SkyHub	n/a	17-Jan-12	72	July-06	Master of Science in Human Resource
	3	Quality Manager	Galaxy	n/a	26-Jan-12	68	Mar-10	Bachelor of Science in Accounting
	4	Quality Manager	Comet & Meteor	n/a	17-Jan-12	71	Sep-03	Bachelor of Arts in Journalism and Mass Communication
Operational Level	5	Team Manager	Galaxy	Quality Assurance	24-Jan-12	42	Apr-04	Master of Science in Finance
	6	Team Manager	Galaxy	Account Payable 1	27-Jan-12	48	Jun-04	Bachelor of Economics
	7	Senior Team Member	Galaxy	Account Payable 1	31-Jan-12	71	May-05	Bachelor of Science in Finance

	8	Junior Team Member	Galaxy	Account Payable 1	31-Jan-12	53	Apr-11	Bachelor of Science in Marketing
	9	Junior Team Member	Galaxy	Account Payable 1	31-Jan-12	46	Feb-11	Bachelor of Science in Accounting
	10	Team Manager	Galaxy	Account Receivable 1	27-Jan-12	47	Sep-03	Master of Political Science in International Relationships
	11	Senior Team Member	Galaxy	Account Receivable 1	31-Jan-12	32	Oct-10	Bachelor of Business Administration in International Business
	12	Junior Team Member	Galaxy	Account Receivable 1	6-Feb-12	60	Jul-11	Bachelor of Science in Economics
	13	Junior Team Member	Galaxy	Account Receivable 1	6-Feb-12	51	Nov-10	Bachelor of Engineering in Nano Engineering
	14	Team Manager	Galaxy	Account Payable 2	30-Jan-12	66	Sep-03	Bachelor of Science in Computer Science
	15	Senior Team Member	Galaxy	Account Payable 2	7-Feb-12	45	Oct-08	Bachelor of Economics
	16	Junior Team Member	Galaxy	Account Payable 2	6-Feb-12	45	May-11	Bachelor of Business Administration in International Business
	17	Junior Team Member	Galaxy	Account Payable 2	7-Feb-12	57	Oct-10	Bachelor of Arts in Business Chinese

	18	Team Manager	Galaxy	Account Receivable 2	27-Feb-12	59	Oct-10	Master of Science in Accounting
	19	Senior Team Member	Galaxy	Account Receivable 2	7-Feb-12	57	Jul-10	Bachelor of Arts in Korean Language
	20	Junior Team Member	Galaxy	Account Receivable 2	7-Feb-12	41	Apr-11	Bachelor of Political Science in International Relationships
	21	Junior Team Member	Galaxy	Account Receivable 2	7-Feb-12	57	Dec-10	Bachelor of Science in Finance
	22	Junior Team Member	Galaxy	Account Receivable 3	10-Feb-12	37	Jun-08	Bachelor of Economics
	23	Junior Team Member	Galaxy	Account Receivable 3	10-Feb-12	21	May-11	Bachelor of Economics
	24	Trainer	Galaxy	Quality Assurance	30-Jan-12	61	Jan-08	Bachelor of Science in Accounting
	25	Management Trainee	Galaxy	Quality Assurance	10-Feb-12	35	Jan-04	Bachelor of Science in Accounting
	26	Team Manager	Comet	n/a	30-Jan-12	68	Feb-05	Bachelor of Science in Accounting
	27	Senior Team Member	Comet	n/a	25-Jan-12	67	Jun-14	Bachelor of Science in Accounting
	28	Junior Team Member	Comet	n/a	25-Jan-12	32	Dec-10	Bachelor of Science in Accounting

	29	Junior Team Member	Comet	n/a	25-Jan-12	41	Aug-10	Bachelor of Arts in Japanese Language
	30	Junior Team Member	Comet	n/a	25-Jan-12	37	Aug-11	Bachelor of Science in Accounting
	31	Team Manager	Meteor	n/a	30-Jan-12	64	Oct-07	Bachelor of Science in Accounting
	32	Junior Team Member	Meteor	n/a	26-Jan-12	36	Aug-10	Bachelor of Economics
	33	Junior Team Member	Meteor	n/a	26-Jan-12	36	Jun-11	Bachelor of Arts in Business Japanese
	34	Junior Team Member	Meteor	n/a	26-Jan-12	35	Jul-11	Bachelor of Business Administration in Marketing (Graduating from Japan)
	35	Junior Team Member	Meteor	n/a	27-Jan-12	51	Mar-11	Bachelor of Science in Biology

Appendix 2: Organisational chart



Appendix 3: Interview guides

1. Interview questions for the Managing Director

Part 1: A background to the SSC

1. What are the goals of the SSC?
2. What was the rationale behind setting up the SSC in this country?
3. What were (are) the main concerns about having the SSC in this country?

Part 2: Performance enquiry

1. How were (are) performances of staff during (after) the implementation period?
2. How satisfied were (are) you with performance of staff during (after) the implementation period?
3. How were (are) feedbacks from head office during (after) the implementation period?
4. How were (are) feedbacks from local business units during (after) the implementation period?
5. What are qualifications you require in recruiting staff?
6. Since a high staff turnover is a characteristic of the SSC, in what ways do you employ to maintain service levels?
7. How did a high staff turnover affect daily operations?
8. What the distinct characteristics of staff regarding their national culture do you find them facilitating or impeding operations of the SSC?

Part 3: Process-compliance enquiry

1. Did (Do) you have a problem that staff did (do) not follow standard procedures? Please give some examples and describe the solutions.

Part 4: Perception of the SSC

1. Did you educate staff about the concept of the shared services model?
How?
2. What are values (e.g., customer-oriented and performance-oriented) that you expect to see in the SSC? How do you convey them to your staff?
3. Do you think staff are aware of their roles properly?

2. Interview questions for top-level and middle-level managers

Part 1: Performance enquiry

1. How was (is) performance of staff during (after) the implementation period?
2. How satisfied were (are) you with performance of staff during (after) the implementation period?
3. How were (are) feedbacks from head office during (after) the implementation period?
4. How were (are) feedbacks from local business units during (after) the implementation period?
5. What are qualifications you require in recruiting your team members?
6. How did a high staff turnover affect performance of your team?
7. How do you find staff handling some particular tasks that there are no precise instructions in company manuals? Do they usually handle such situations properly? Please give some examples.

Part 2: Process-compliance enquiry

1. Did (Do) you have a problem that staff did (do) not follow SOPs? Please give some examples and describe the solutions.
2. What distinct characteristics of staff regarding their national culture do you find them facilitating or impeding operations of the SSC?

Part 3: Perception of the SSC

1. Do you think your team members are aware of their roles properly?

2. Interview questions for operational staff

Part 1: Performance enquiry

1. How did you learn to perform tasks?
2. Did you find it easy or difficult to perform or accomplish tasks at the beginning? Why did you find it easy (difficult)? How about now? Do you find it easier to perform tasks? Why?

3. Please give some examples of situations that you found them difficult to handle, or you did not handle them well at the beginning. How and why did you take those actions toward particular situations? How about now? Are there still difficult situations?
4. In the situation that there is no precise instruction in company manuals for some particular tasks, how did you handle your tasks? Please give some examples.

Part 2: Process-compliance enquiry

1. Please give some examples of tasks that you did (do) not follow SOPs or routines. What were (are) reasons that you decided not to follow those detailed working instructions?
2. When local business units requested you to do something that was deviated from SOPs, how did you respond to their requests? Did you raise an important issue to your superior or the head office?
3. Were (are) you assertive to adhere with SOPs? What made (make) it difficult for you to be assertive to conform to particular SOPs?

Part3: Perception of the SSC and their roles

1. Had you heard about the concept of SSCs before you joined the company?
2. What are your job descriptions?
3. Do you see yourself as a beancounter? Why?
4. In your opinion, which characteristics are necessary to perform well in the company? Why?
5. Do your current duties match your job expectation before you joined the company? Why?
6. How do you define your relationship with local business units at the beginning and now?

Bibliography

- Abernethy, M. A., & Chua, W. F. (1996). A field study of control system “redesign”: the impact of institutional processes on strategic choice. *Contemporary Accounting Research*, 13(2), 569-606.
- ACCA. (2012). Finance transformation: expert insights on shared services and outsourcing. Retrieved 22 August 2015, from <http://www.accaglobal.com/uk/en/technical-activities/technical-resources-search/2012/january/finance-transformation-expert-insights-ss.html>
- Ahrens, T., Becker, A., Burns, J., Chapman, C. S., Granlund, M., Habersam, M., . . . Scheytt, T. (2008). The future of interpretive accounting research—a polyphonic debate. *Critical Perspectives on Accounting*, 19(6), 840-866.
- Ahrens, T., & Chapman, C. (2002). The structuration of legitimate performance measures and management: day-to-day contests of accountability in a UK restaurant chain. *Management Accounting Research*, 13(2), 151-171.
- Alavi, M., & Leidner, D. E. (2001). Review: knowledge management and knowledge management systems: conceptual foundations and research issues. *MIS Quarterly*, 25(1), 107-136.
- Anderson, J. R., & Vita, R. N. (2006). Should you outsource accounting and finance? *Journal of Corporate Accounting & Finance*, 17(6), 11-15.
- Anfara, V. A., & Mertz, N. T. (2006). *Theoretical frameworks in qualitative research* (2nd ed.). California: Sage.
- Armistead, C., Johnston, R., & Slack, N. (1988). The strategic determinants of service productivity. *International Journal of Operations & Production Management*, 8(3), 95-108.
- Atrill, P., & McLaney, E. J. (2013). *Accounting and finance for non-specialists* (8th ed.). Harlow: Financial Times/Prentice Hall.
- Baker, C. R. (2001). Whether there is an Accounting Profession? a commentary on “whither (or wither) accounting education in the new millennium” by M.R. Mathews. *Accounting Forum*, 25(4), 402-404.
- Baldvinsdottir, G., Mitchell, F., & Nørreklit, H. (2010). Issues in the relationship between theory and practice in management accounting. *Management Accounting Research*, 21(2), 79-82.
- Bangemann, T. O. (2006). *Shared services in finance and accounting*. Aldershot, England: Gower.
- Barley, S. R., & Tolbert, P. S. (1997). Institutionalization and structuration: studying the Links between action and institution. *Organization Studies*, 18(1), 93-117.
- Barrar, P., Wood, D., Jones, J., & Vedovato, M. (2002). The efficiency of accounting service provision. *Business Process Management Journal*, 8(3), 195-217.
- Baxter, J., & Chua, W. F. (2003). Alternative management accounting research—whence and whither. *Accounting, Organizations and Society*, 28(2–3), 97-126.
- Beaverstock, J. V. (2007). Transnational work: global professional labour markets in professional service accounting firms. In J. R. Bryson & P. W. Daniels (Eds.), *The handbook of service industries* (pp. 409-431).
- Becker, M. C. (2004). Organizational routines: a review of the literature. *Industrial and Corporate Change*, 13(4), 643-678.
- Becker, M. C. (2005). The concept of routines: some clarifications. *Cambridge Journal of Economics*, 29(2), 249-262.

- Beretta, S., Dossi, A., & Grove, H. (1998). Methodological strategies for benchmarking accounting processes. *Benchmarking for Quality Management & Technology*, 5(3), 165-183.
- Bergeron, B. P. (2003). *Essentials of shared services*. New Jersey, USA: Wiley.
- Bhaskar, R. (1989). *The possibility of naturalism : a philosophical critique of the contemporary human sciences* (2nd ed.). Brighton, England: Harvester Wheatsheaf.
- Blewett, F., & Jarvis, R. (1989). *Microcomputers in accounting*. London: Van Nostrand Reinhold (International) and Institute of Chartered Accountants in England and Wales.
- Booth, P., Matolcsy, Z., & Wieder, B. (2000). The impacts of enterprise resource planning systems on accounting practice – the Australian experience. *Australian Accounting Review*, 10(22), 4-18.
- Bougen, P. D. (1994). Joking apart: the serious side to the accountant stereotype. *Accounting, Organizations and Society*, 19(3), 319-335.
- Boyce, G. (2004). Critical accounting education: teaching and learning outside the circle. *Critical Perspectives on Accounting*, 15(4), 565-586.
- Briers, M., & Chua, W. F. (2001). The role of actor-networks and boundary objects in management accounting change: a field study of an implementation of activity-based costing. *Accounting, Organizations and Society*, 26(3), 237-269.
- Brunsson, N., & Jacobsson, B. (2000). *A world of standards*. New York: Oxford University Press.
- Burns, J. (2000). The dynamics of accounting change Inter-play between new practices, routines, institutions, power and politics. *Accounting, Auditing & Accountability Journal*, 13(5), 566-596.
- Burns, J. (2009). *Addressing definitional ambiguity: management accounting routines as propensities to act*. (Unpublished working paper). University of Dundee.
- Burns, J., & Baldvinsdottir, G. (2005). An institutional perspective of accountants' new roles—the interplay of contradictions and praxis. *European Accounting Review*, 14(4), 725-757.
- Burns, J., & Scapens, R. W. (2000). Conceptualizing management accounting change: an institutional framework. *Management Accounting Research*, 11(1), 3-25.
- Burrell, G., & Morgan, G. (1979). *Sociological paradigms and organisational analysis : elements of the sociology of corporate life*. London: Heinemann Educational.
- Busco, C. (2009). Giddens' structuration theory and its implications for management accounting research. *Journal of Management & Governance*, 13(3), 249-260.
- Byrne, M., & Willis, P. (2005). Irish secondary students' perceptions of the work of an accountant and the accounting profession. *Accounting Education*, 14(4), 367-381.
- Cacciaguidi-Fahy, S., Currie, J., & Fahy, M. (2002). *Financial shared services centres: opportunities and challenges for the accounting profession*. London: Certified Accountants Educational Trust.
- Callon, M. (1986). The sociology of an actor-network: the case of the electric vehicle. In M. Callon, J. Law, & A. Rip (Eds.), *Mapping the dynamics of science and technology* (pp. 155-176). London: Macmillan Press.

- Carey, J. L. (1969). *The rise of the accounting profession: from technician to professional, 1896-1936* (Vol. 1). Michigan: American Institute of Certified Public Accountants.
- Carruthers, B. G., & Espeland, W. N. (1991). Accounting for rationality: double-entry bookkeeping and the rhetoric of economic rationality. *American Journal of Sociology*, 97(1), 31-69.
- Cecil, R. (2000). Features - At your service: What can shared service centres do for your business? . *Management accounting*, 78, 32-33.
- CGMA. (2012). Relevance regained: performance management in shared services centres. Retrieved 22 August 2015, from <http://www.cgma.org/Resources/Reports/Pages/Relevance-regained-performance-management.aspx>
- Chase, R. B. (1977). Where does the customer fit in a service operation? *Harvard business review*, 56(6), 137-142.
- Chua, W. F. (1986). Radical Developments in Accounting Thought. *The Accounting Review*, 61(4), 601-632.
- Chua, W. F., & Mahama, H. (2007). The effect of network ties on accounting controls in a supply alliance: field study evidence. *Contemporary Accounting Research*, 24(1), 47-86.
- CIPFA. (2010). Sharing the gain: collaborating for cost-effectiveness. Retrieved from www.cipfa.org/~media/files/publications/reports/shared_services_reportfinal.pdf
- Clemens, E. S., & Cook, J. M. (1999). Politics and institutionalism: explaining durability and change. *Annual review of sociology*, 441-466.
- Clott, C. B. (2004). Perspectives on global outsourcing and the changing nature of work. *Business and Society Review*, 109(2), 153-170.
- Cohen, M. D. (2007). Reading dewey: reflections on the study of routine. *Organization Studies*, 28(5), 773-786.
- Cohen, M. D., & Bacdayan, P. (1994). Organizational routines are stored as procedural memory: evidence from a laboratory study. *Organization Science*, 5(4), 554-568.
- Cohendet, P., & Llerena, P. (2003). Routines and incentives: the role of communities in the firm. *Industrial and Corporate Change*, 12(2), 271-297.
- Collier, P. M. (2001). The power of accounting: a field study of local financial management in a police force. *Management Accounting Research*, 12(4), 465-486.
- Conrad, L. (2005). A structuration analysis of accounting systems and systems of accountability in the privatised gas industry. *Critical Perspectives on Accounting*, 16(1), 1-26.
- Cooper, C., & Taylor, P. (2000). From Taylorism to Ms Taylor: the transformation of the accounting craft. *Accounting, Organizations and Society*, 25(6), 555-578.
- Costello, N. (1996). Learning and routines in high-tech SMEs: analyzing rich case study material. *Journal of Economic Issues*, 30(2), 591-597.
- Covaleski, M. A., Dirsmith, M. W., & Michelman, J. E. (1993). An institutional theory perspective on the DRG framework, case-mix accounting systems and health-care organizations. *Accounting, Organizations and Society*, 18(1), 65-80.
- Creswell, J. W. (2003). *Research design : qualitative, quantitative, and mixed methods approaches* (2nd ed.). London: Sage.

- Crossan, M. M., Lane, H. W., & White, R. E. (1999). An organizational learning framework: from intuition to institution. *Academy of Management Review*, 24(3), 522-537.
- Crotty, M. (1998). *The foundations of social research : meaning and perspective in the research process*. London: Sage.
- Cyert, R. M., & March, J. G. (1992). *A behavioral theory of the firm* (2nd ed.). New Jersey, USA: Prentice-Hall
- d'Adderio, L., Feldman, M. S., Lazaric, N., & Pentland, B. T. (2012). Call for papers—special issue on routine dynamics: exploring sources of stability and change in organizations. *Organization Science*, 23(6), 1782-1783.
- d'Eredita, M. A., & Barreto, C. (2006). How does tacit knowledge proliferate? an episode-based perspective. *Organization Studies*, 27(12), 1821-1841.
- Dillard, J. F., Rigsby, J. T., & Goodman, C. (2004). The making and remaking of organization context: duality and the institutionalization process. *Accounting, Auditing & Accountability Journal*, 17(4), 506-542.
- DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48, 147-160.
- DiMaggio, P. J., & Powell, W. W. (1991). Introduction. In W. W. Powell & P. J. DiMaggio (Eds.), *The new institutionalism in organizational analysis* (pp. 1-38). Chicago: University of Chicago Press.
- Dimnik, T., & Felton, S. (2006). Accountant stereotypes in movies distributed in North America in the twentieth century. *Accounting, Organizations and Society*, 31(2), 129-155.
- Englund, H., & Gerdin, J. (2008). Structuration theory and mediating concepts: pitfalls and implications for management accounting research. *Critical Perspectives on Accounting*, 19(8), 1122-1134.
- Englund, H., Gerdin, J., & Burns, J. (2011). 25 Years of Giddens in accounting research: achievements, limitations and the future. *Accounting, Organizations and Society*, 36(8), 494-513.
- Eraut, M. (2000). Non-formal learning and tacit knowledge in professional work. *British Journal of Educational Psychology*, 70(1), 113-136.
- Feldman, M. S. (2000). Organizational routines as a source of continuous change. *Organization Science*, 11(6), 611-629.
- Feldman, M. S., & Pentland, B. T. (2003). Reconceptualizing organizational routines as a source of flexibility and change. *Administrative Science Quarterly*, 48(1), 94-118.
- Feldman, M. S., & Rafaeli, A. (2002). Organizational routines as sources of connections and understandings. *Journal of Management Studies*, 39(3), 309-331.
- Flamholtz, E. G., Das, T., & Tsui, A. S. (1985). Toward an integrative framework of organizational control. *Accounting, Organizations and Society*, 10(1), 35-50.
- Friedland, R., & Alford, R. R. (1991). Bringing society back in: symbols, practices and institutional contradictions. In W. W. Powell & P. J. DiMaggio (Eds.), *The new institutionalism in organizational analysis* (pp. 232-263). Chicago: University of Chicago.
- Friedman, A. L., & Lyne, S. R. (2001). The beancounter stereotype: towards a general model of stereotype generation. *Critical Perspectives on Accounting*, 12(4), 423-451.

- Gersick, C. J. G., & Hackman, J. R. (1990). Habitual routines in task-performing groups. *Organizational Behavior and Human Decision Processes*, 47(1), 65-97.
- Giddens, A. (1979). *Central problems in social theory: action, structure, and contradiction in social analysis*. California: University of California Press.
- Giddens, A. (1984). *The constitution of society : outline of the theory of structuration*. California: University of California Press.
- Ginzberg, M. J. (1980). An organizational contingencies view of accounting and information systems implementation. *Accounting, Organizations and Society*, 5(4), 369-382.
- Gospel, H., & Sako, M. (2010). The unbundling of corporate functions: the evolution of shared services and outsourcing in human resource management. *Industrial and Corporate Change*, 19(5), 1367-1396.
- Granlund, M. (2001). Towards explaining stability in and around management accounting systems. *Management Accounting Research*, 12(2), 141-166.
- Granlund, M., & Lukka, K. (1998). It's a small world of management accounting practices. *Journal of Management Accounting Research*, 10, 153.
- Greenwood, R., & Hinings, C. R. (1988). Organizational design types, tracks and the dynamics of strategic change. *Organization Studies*, 9(3), 293-316.
- Greenwood, R., & Hinings, C. R. (1996). Understanding radical organizational change: bringing together the old and the new institutionalism. *Academy of Management Review*, 21(4), 1022-1054.
- Greenwood, R., Raynard, M., Kodeih, F., Micelotta, E. R., & Lounsbury, M. (2011). Institutional complexity and organizational responses. *The Academy of Management Annals*, 5(1), 317-371.
- Gurd, B. (2008). Structuration and middle-range theory—a case study of accounting during organizational change from different theoretical perspectives. *Critical Perspectives on Accounting*, 19(4), 523-543.
- Hamilton, W. H. (1932). Institution. In E. R. A. Seligman & A. Johnson (Eds.), *Encyclopaedia of the social sciences* (Vol. 8, pp. 84-89).
- Hampson, I., & Junor, A. (2010). Putting the process back in: rethinking service sector skill. *Work, Employment & Society*, 24(3), 526-545.
- Herbert, I. P., & Seal, W. B. (2012). Shared services as a new organisational form: some implications for management accounting. *The British Accounting Review*, 44(2), 83-97.
- Hodgson, G. M. (2000). What is the essence of institutional economics? *Journal of Economic Issues*, 34(2), 317-329.
- Hodgson, G. M. (2006). What Are Institutions? *Journal of Economic Issues*, 40(1), 1-25.
- Hodgson, G. M. (2007). Institutions and Individuals: Interaction and Evolution. *Organization Studies*, 28(1), 95-116.
- Hodgson, G. M. (2008). The concept of a routine. In Becker (Ed.), *Handbook of organizational routines* (pp. 15-28). Cheltenham, England: Edward Elgar.
- Hodgson, G. M. (2009). 3. The nature and replication of routines. In M. C. Becker & N. Lazaric (Eds.), *Organizational routines: advancing empirical research* (pp. 26-46). Cheltenham, England: Edward Elgar.
- Hodgson, G. M., & Knudsen, T. (2004). The firm as an interactor: firms as vehicles for habits and routines. *Journal of Evolutionary Economics*, 14(3), 281-307.
- Hofstede, G. (1994). The business of international business is culture. *International business review*, 3(1), 1-14.

- Hofstede, G. (2001). *Culture's consequences: comparing values, behaviors, institutions and organizations across nations* (2nd ed.). California: Sage.
- Hopper, T., & Powell, A. (1985). Making sense of research into the organizational and social aspects of management accounting: a review of its underlying assumptions. *Journal of Management Studies*, 22(5), 429-465.
- Hopwood, A. (2002). 'If only there were simple solutions, but there aren't': some reflections on Zimmerman's critique of empirical management accounting research. *European Accounting Review*, 11(4), 777-785.
- Hopwood, A. G. (1987). The archeology of accounting systems. *Accounting, Organizations and Society*, 12(3), 207-234.
- Hopwood, G. (1976). The path ahead. *Accounting, Organizations and Society*, 1(1), 1-4.
- Horngrén, C. T., Sundem, G. L., Elliott, J. A., & Philbrick, D. R. (2014). *Introduction to financial accounting*. Essex, England: Pearson.
- Humphrey, C., & Scapens, R. W. (1996). Methodological themes: Theories and case studies of organizational accounting practices: limitation or liberation? *Accounting, Auditing & Accountability Journal*, 9(4), 86-106.
- Hussain, M., & Hoque, Z. (2002). Understanding non-financial performance measurement practices in Japanese banks: a new institutional sociology perspective. *Accounting, Auditing & Accountability Journal*, 15(2), 162-183.
- Ittner, C., & Larcker, D. (2002). Empirical managerial accounting research: are we just describing management consulting practice? *European Accounting Review*, 11(4), 787-794.
- Jeacle, I. (2008). Beyond the boring grey: the construction of the colourful accountant. *Critical Perspectives on Accounting*, 19(8), 1296-1320.
- Johnson, P., & Duberley, J. (2000). *Understanding management research: an introduction to epistemology*. London: Sage.
- Johnston, R., Clark, G., & Shulver, M. (2012). *Service operations management improving service delivery* (4th ed.). Essex, England: Pearson.
- Jones, T. C., & Dugdale, D. (2002). The ABC bandwagon and the juggernaut of modernity. *Accounting, Organizations and Society*, 27(1), 121-163.
- Junker, L. J. (1968). Theoretical foundations of neo-institutionalism. *American Journal of Economics and Sociology*, 27(2), 197-213.
- Justesen, L., & Mouritsen, J. (2011). Effects of actor-network theory in accounting research. *Accounting, Auditing & Accountability Journal*, 24(2), 161-193.
- Kavanagh, M. H., & Drennan, L. (2008). What skills and attributes does an accounting graduate need? evidence from student perceptions and employer expectations. *Accounting & Finance*, 48(2), 279-300.
- Keuper, F., & Lueg, K.-E. (2015). *Finance bundling and finance transformation*. Germany: Springer Gabler.
- Kholeif, A. O. R., Abdel-Kader, M., & Sherer, M. (2007). ERP customization failure: institutionalized accounting practices, power relations and market forces. *Journal of Accounting & Organizational Change*, 3(3), 250-269.
- Kilduff, M. (1992). Performance and interaction routines in multinational corporations. *Journal of International Business Studies*, 23(1), 133-145.
- Kirkham, L. M., & Loft, A. (1993). Gender and the construction of the professional accountant. *Accounting, Organizations and Society*, 18(6), 507-558.
- Kris, A., & Fahy, M. (2003). *Shared service centres : delivering value from more effective finance and business processes*. London: FT Prentice Hall.
- Kvale, S. (2007). *Doing interviews*. London: Sage

- Lacity, M. C., Willcocks, L. P., & Rottman, J. W. (2008). Global outsourcing of back office services: lessons, trends, and enduring challenges. *Strategic Outsourcing: An International Journal*, 1(1), 13-34.
- Lam, A. (2000). Tacit Knowledge, Organizational Learning and Societal Institutions: An Integrated Framework. *Organization Studies*, 21(3), 487-513.
- Langfield-Smith, K. (1997). Management control systems and strategy: a critical review. *Accounting, Organizations and Society*, 22(2), 207-232.
- Langlois, R. N. (1989). What was wrong with the old institutional economics (and what is still wrong with the new)? *Review of Political Economy*, 1(3), 270-298.
- Latour, B. (1987). *Science in action: how to follow scientists and engineers through society*. Cambridge, MA: Harvard university press.
- Latour, B. (1999). *Pandora's hope: essays on the reality of science studies*. Cambridge, MA: Harvard University Press.
- Latour, B. (2005). *Reassembling the social: an introduction to actor-network-theory*. Oxford: Oxford University Press.
- Laughlin, R. (1995). Empirical research in accounting: alternative approaches and a case for "middle-range" thinking. *Accounting, Auditing & Accountability Journal*, 8(1), 63-87.
- Law, J. (1994). *Organizing modernity*. Oxford and Cambridge, MA: Blackwell.
- Lee, T. A. (2004). Accounting and auditing research in the United States. In C. Humphrey & B. Lee (Eds.), *The real life guide to accounting research* (pp. 57-71). Amsterdam: Elsevier.
- Lehman, C. R. (1992). *Accounting's changing role in social conflict*. Markus Wiener.
- Lester, T. (1994). Pulling down the language barrier. *International Management*, 49(6), 42-45.
- Levitt, T. (1972). Production-line approach to service. *Harvard business review*, 50(5), 41-52.
- Levitt, T. (1976). Industrialization of service. *Harvard business review*, 54(5), 63-74.
- Lewis, R., Gillespie, I., & Firth, M. (1986). *Foundation in accounting*. London: Prentice-Hall International.
- Lillrank, P. (2003). The quality of standard, routine and nonroutine processes. *Organization Studies*, 24(2), 215-233.
- Llewellyn, S. (1993). Working in hermeneutic circles in management accounting research: some implications and applications. *Management Accounting Research*, 4(3), 231-249.
- Llewellyn, S., & Northcott, D. (2005). The average hospital. *Accounting, Organizations and Society*, 30(6), 555-583.
- Loft, A. (1992). Accountancy and the gendered division of labour: a review essay. *Accounting, Organizations and Society*, 17(3), 367-378.
- Lounsbury, M. (2008). Institutional rationality and practice variation: new directions in the institutional analysis of practice. *Accounting, Organizations and Society*, 33(4-5), 349-361.
- Luft, J., & Shields, M. (2002). Zimmerman's contentious conjectures: describing the present and prescribing the future of empirical management accounting research. *European Accounting Review*, 11(4), 795-803.
- Lukka, K. (2007). Management accounting change and stability: loosely coupled rules and routines in action. *Management Accounting Research*, 18(1), 76-101.

- Lukka, K. (2010). The roles and effects of paradigms in accounting research. *Management Accounting Research*, 21(2), 110-115.
- Lukka, K., & Kasanen, E. (1995). The problem of generalizability: anecdotes and evidence in accounting research. *Accounting, Auditing & Accountability Journal*, 8(5), 71-90.
- Lukka, K., & Mouritsen, J. (2002). Homogeneity or heterogeneity of research in management accounting? *European Accounting Review*, 11(4), 805-811.
- Macintosh, N. B., & Daft, R. L. (1987). Management control systems and departmental interdependencies: an empirical study. *Accounting, Organizations and Society*, 12(1), 49-61.
- Macintosh, N. B., & Scapens, R. W. (1990). Structuration theory in management accounting. *Accounting, Organizations and Society*, 15(5), 455-477.
- Malcolm, I. (1999, December). Shared Services: re-run of an old movie or part of a continuing evolution? *Management accounting*, 77, 32-34.
- Malmi, T. (2010). Reflections on paradigms in action in accounting research. *Management Accounting Research*, 21(2), 121-123.
- March, J. G., & Olsen, J. P. (1989). *Rediscovering institutions : the organizational basis of politics*. New York: Free Press.
- March, J. G., & Olsen, J. P. (2008). The logic of appropriateness. In M. Moran, M. Rein, & R. E. Goodin (Eds.), *The Oxford handbook of public policy* (pp. 689-708). Oxford: Oxford University Press.
- March, J. G., & Simon, H. A. (1993). *Organizations* (2nd ed.). Cambridge, USA: Blackwell.
- Markland, R. E., Vickery, S. K., & Davis, R. A. (1998). *Operations management : concepts in manufacturing and services* (2nd ed.). Cincinnati, OH: South-Western College.
- Marthison, S. (1988). Why triangulation. *Educational researcher*, 17(2), 13-17.
- Mason, J. (2002). *Qualitative researching* (2nd ed.). London: Sage.
- Mathews, M. R. (2001). Whither (or wither) accounting education in the new millennium. *Accounting Forum*, 25(4), 380-394.
- May, G. O. (1943). The nature of the financial accounting process. *The Accounting Review*, 18(3), 189-193.
- McIvor, R., McCracken, M., & McHugh, M. (2011). Creating outsourced shared services arrangements: lessons from the public sector. *European Management Journal*, 29(6), 448-461.
- Mechling, J., & Schwarz, G. (2007). *Shared Services Center*. RAR-103 (Unpublished working paper). Kennedy School of Government. Harvard University.
- Merchant, K. A. (2010). Paradigms in accounting research: a view from North America. *Management Accounting Research*, 21(2), 116-120.
- Merriam, S. B. (1998). *Qualitative research and case study applications in education*. San Francisco: Jossey-Bass.
- Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: formal structure as myth and ceremony. *American Journal of Sociology*, 83(2), 340-363.
- Miller, J., & Glassner, B. (1997). The 'inside' and the 'outside': finding realities in interviews. *Qualitative research*, 99-112.
- Miller, P. (1991). Accounting innovation beyond the enterprise: problematizing investment decisions and programming economic growth in the UK in the 1960s. *Accounting, Organizations and Society*, 16(8), 733-762.
- Moll, J., Burns, J., & Major, M. (2006). Institutional theory. In Z. Hoque (Ed.), *Methodological issues in accounting research: theories, methods and issues* (pp. 183-205). London: Spiramus.

- Morgan, G., & Smircich, L. (1980). The case for qualitative research. *Academy of Management Review*, 5(4), 491-500.
- Mouritsen, J. (1999). The flexible firm: strategies for a subcontractor's management control. *Accounting, Organizations and Society*, 24(1), 31-55.
- Nelson, R. R., & Winter, S. G. (1982). *An evolutionary theory of economic change*. Cambridge, MA: Harvard University Press.
- Nixon, B. (2006). Strategic choice and management control systems: a review of theories and challenges for development. In Z. Hoque (Ed.), *Methodological issues in accounting research: theories and methods* (pp. 105-127). London: Spiramus.
- Nonaka, I. (1994). A dynamic theory of organizational knowledge creation. *Organization Science*, 5(1), 14-37.
- Nonaka, I., Toyama, R., & Nagata, A. (2000). A firm as a knowledge-creating entity: a new perspective on the theory of the firm. *Industrial and Corporate Change*, 9(1), 1-20.
- Nonaka, I., & von Krogh, G. (2009). Perspective-tacit knowledge and knowledge conversion: controversy and advancement in organizational knowledge creation theory. *Organization Science*, 20(3), 635-652.
- Pentland, B. T., & Feldman, M. S. (2005). Organizational routines as a unit of analysis. *Industrial and Corporate Change*, 14(5), 793-815.
- Pentland, B. T., & Feldman, M. S. (2008). Designing routines: on the folly of designing artifacts, while hoping for patterns of action. *Information and Organization*, 18(4), 235-250.
- Pentland, B. T., Haerem, T., & Hillison, D. (2010). Comparing organizational routines as recurrent patterns of action. *Organization Studies*, 31(7), 917-940.
- Pentland, B. T., & Rueter, H. H. (1994). Organizational routines as grammars of action. *Administrative Science Quarterly*, 39(3), 484-510.
- Polanyi, M. (1964). *Science, faith and society*. Chicago: University of Chicago Press.
- Postrel, S., & Rumelt, R. P. (1992). Incentives, routines, and self-command. *Industrial and Corporate Change*, 1(3), 397-425.
- Preston, A. M., Cooper, D. J., & Coombs, R. W. (1992). Fabricating budgets: a study of the production of management budgeting in the national health service. *Accounting, Organizations and Society*, 17(6), 561-593.
- Prietula, M., & Simon, H. (1989). The expert in your midst. *Harvard business review* (January-February), 120-124.
- Quinn, B., Cooke, R., & Kris, A. (2000). *Shared services : mining for corporate gold*. London: Financial Times Prentice Hall.
- Reynaud, B. (2005). The void at the heart of rules: routines in the context of rule-following: the case of the Paris metro workshop. *Industrial and Corporate Change*, 14(5), 847-871.
- Ribeiro, J. A., & Scapens, R. W. (2006). Institutional theories in management accounting change: contributions, issues and paths for development. *Qualitative Research in Accounting & Management*, 3(2), 94-111.
- Ritchie, J., & Lewis, J. (2003). *Qualitative research practice : a guide for social science students and researchers*. London: Sage.
- Ritzer, G. (1996). The McDonaldization thesis: Is expansion inevitable? *International sociology*, 11(3), 291-308.
- Roberts, J. (1990). Strategy and accounting in a U.K. conglomerate. *Accounting, Organizations and Society*, 15(1-2), 107-126.

- Roberts, J., & Coutts, J. A. (1992). Feminization and professionalization: a review of an emerging literature on the development of accounting in the United Kingdom. *Accounting, Organizations and Society*, 17(3), 379-395.
- Roberts, J., & Scapens, R. (1985). Accounting systems and systems of accountability — understanding accounting practices in their organisational contexts. *Accounting, Organizations and Society*, 10(4), 443-456.
- Robson, K. (1991). On the arenas of accounting change: the process of translation. *Accounting, Organizations and Society*, 16(5), 547-570.
- Roodhooft, F., & Warlop, L. (1999). On the role of sunk costs and asset specificity in outsourcing decisions: a research note. *Accounting, Organizations and Society*, 24(4), 363-369.
- Rothwell, A. T., Herbert, I. P., & Seal, W. (2011). Shared service centers and professional employability. *Journal of Vocational Behavior*, 79(1), 241-252.
- Ryan, B., Scapens, R. W., & Theobald, M. (2002). *Research method and methodology in finance and accounting*. London: Academic Press.
- Saemann, G. P., & Crooker, K. J. (2000). Student perceptions of the profession and its effect on decisions to major in accounting. *Journal of Accounting Education*, 17(1), 1-22.
- Sako, M. (2006). Outsourcing and offshoring: implications for productivity of business services. *Oxford Review of Economic Policy*, 22(4), 499-512.
- Sandberg, J., & Alvesson, M. (2011). Ways of constructing research questions: gap-spotting or problematization? *Organization*, 18(1), 23-44.
- Scapens, R. W. (1990). Researching management accounting practice: the role of case study methods. *The British Accounting Review*, 22(3), 259-281.
- Scapens, R. W. (1994). Never mind the gap: towards an institutional perspective on management accounting practice. *Management Accounting Research*, 5(3-4), 301-321.
- Scapens, R. W. (2006). Understanding management accounting practices: a personal journey. *The British Accounting Review*, 38(1), 1-30.
- Scapens, R. W. (2008). Seeking the relevance of interpretive research: a contribution to the polyphonic debate. *Critical Perspectives on Accounting*, 19(6), 915-919.
- Scapens, R. W., & Jazayeri, M. (2003). ERP systems and management accounting change: opportunities or impacts? A research note. *European Accounting Review*, 12(1), 201-233.
- Schulman, D., Harmer, M. J., Dunleavy, J. R., & Lusk, J. S. (1999). *Shared services : adding value to the business units*. New York: Wiley.
- Seal, W. (2010). Managerial discourse and the link between theory and practice: from ROI to value-based management. *Management Accounting Research*, 21(2), 95-109.
- Seal, W., & Herbert, I. (2013). Shared service centres and the role of the finance function: advancing the Iron Cage? *Journal of Accounting & Organizational Change*, 9(2), 188-205.
- Selto, F. H., & Widener, S. K. (2004). New directions in management accounting research: insights from practice. *Advances in Management Accounting*, 12, 1-36.
- Seo, M.-G., & Creed, W. E. D. (2002). Institutional contradictions, praxis, and institutional change: a dialectical perspective. *Academy of Management Review*, 27(2), 222-247.

- Sidebotham, R. (1970). *Introduction to the theory and context of accounting* (2nd ed.). Oxford: Pergamon.
- Simon, H. A. (1991). Bounded rationality and organizational learning. *Organization Science*, 2(1), 125-134.
- Siti-Nabiha, A. K., & Scapens, R. W. (2005). Stability and change: an institutionalist study of management accounting change. *Accounting, Auditing & Accountability Journal*, 18(1), 44-73.
- Smith, M. (2011). *Research methods in accounting* (2nd ed.). London: Sage.
- Soin, K., Seal, W., & Cullen, J. (2002). ABC and organizational change: an institutional perspective. *Management Accounting Research*, 13(2), 249-271.
- Sombart, W. (1953). Medieval and modern commercial enterprise. *Enterprise and Secular Change*, 25-40.
- Spathis, C., & Constantinides, S. (2004). Enterprise resource planning systems' impact on accounting processes. *Business Process Management Journal*, 10(2), 234-247.
- Stauss, B. (1995). Internal services: classification and quality management. *International Journal of Service Industry Management*, 6(2), 62-78.
- Stene, E. O. (1940). An approach to a science of administration. *American Political Science Review*, 34(06), 1124-1137.
- Stinchcombe, A. L. (1990). *Information and organizations*. Berkeley: University of California Press.
- Strom, S. H. (1987). "Machines instead of clerks": technology and the feminization of bookkeeping, 1910-1950. In H. I. Hartmann (Eds.), *Computer chips and paper clips: technology and women's employment, volume II: case studies and policy perspectives* (pp.63-97). Washington, DC: National Academy Press.
- Taylor, F. W. (1911). *The principles of scientific management*. New York: Harper.
- Taylor, F. W. (1964). *Scientific management : comprising Shop management, the principles of scientific management, testimony before the special house committee*. New York: Harper.
- Taylor, P., & Bain, P. (1999). 'An assembly line in the head': work and employee relations in the call centre. *Industrial Relations Journal*, 30(2), 101-117.
- Thane, P. (1992). The history of the gender division of labour in Britain: reflections on "'herstory' in accounting: the first eighty years". *Accounting, Organizations and Society*, 17(3-4), 299-312.
- Thornton, P. H., & Ocasio, W. (2008). Institutional logics. In R. Greenwood, C. Oliver, K. Sahlin, & R. Suddaby (Eds.), *The sage handbook of organizational institutionalism* (Vol. 840, pp. 99-128). London: Sage.
- Thornton, P. H., Ocasio, W., & Lounsbury, M. (2012). *The institutional logics perspective: a new approach to culture, structure and process*. Oxford: Oxford University Press.
- Tinker, A. M., Merino, B. D., & Neimark, M. D. (1982). The normative origins of positive theories: ideology and accounting thought. *Accounting, Organizations and Society*, 7(2), 167-200.
- Tomkins, C., & Groves, R. (1983). The everyday accountant and researching his reality. *Accounting, Organizations and Society*, 8(4), 361-374.
- Tsoukas, H. (1996). The firm as a distributed knowledge system: a constructionist approach. *Strategic Management Journal*, 17, 11-25.
- Tsoukas, H. (2003). Do we really understand tacit knowledge? In M. A. Lyles & M. Easterby-Smith (Eds.), *The Blackwell handbook of organizational learning and knowledge management* (pp. 410-427). Oxford: Blackwell.

- Turner, S. F., & Fern, M. J. (2012). Examining the stability and variability of routine performances: the effects of experience and context change. *Journal of Management Studies*, 49(8), 1407-1434.
- Uddin, S., & Tsamenyi, M. (2005). Public sector reforms and the public interest: a case study of accounting control changes and performance monitoring in a Ghanaian state-owned enterprise. *Accounting, Auditing & Accountability Journal*, 18(5), 648-674.
- Ulbrich, F. (2006). Improving shared service implementation: adopting lessons from the BPR movement. *Business Process Management Journal*, 12(2), 191-205.
- Vaivio, J., & Sirén, A. (2010). Insights into method triangulation and “paradigms” in interpretive management accounting research. *Management Accounting Research*, 21(2), 130-141.
- van Helden, G. J., Aardema, H., ter Bogt, H. J., & Groot, T. L. (2010). Knowledge creation for practice in public sector management accounting by consultants and academics: preliminary findings and directions for future research. *Management Accounting Research*, 21(2), 83-94.
- Vandermerwe, S., & Gilbert, D. J. (1991). Internal services: gaps in needs/performance and prescriptions for effectiveness. *International Journal of Service Industry Management*, 2(1), 0-0.
- Warren, S., & Parker, L. (2009). Bean counters or bright young things? towards the visual study of identity construction among professional accountants. *Qualitative Research in Accounting & Management*, 6(4), 205-223.
- Weick, K. E. (1993). The collapse of sensemaking in organizations: the Mann Gulch disaster. *Administrative Science Quarterly*, 628-652.
- Weiss, H. M., & Ilgen, D. R. (1986). Routinized behavior in organizations. *Journal of Behavioral Economics*, 14(1), 57-67.
- Wootton, C. W., & Kemmerer, B. E. (1996). The changing genderization of bookkeeping in the United States, 1870–1930. *Business History Review*, 70(04), 541-586.
- Wright, P., & Noe, R. A. (1996). *Management of organizations*. Chicago: Irwin.
- Yamey, B. S. (1949). Scientific bookkeeping and the rise of capitalism. *The Economic History Review*, 1(2-3), 99-113.
- Yazdifar, H., Zaman, M., Tsamenyi, M., & Askarany, D. (2008). Management accounting change in a subsidiary organisation. *Critical Perspectives on Accounting*, 19(3), 404-430.
- Yin, R. K. (2009). *Case study research : design and methods* (4th ed.). London: Sage.
- Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1988). Communication and control processes in the delivery of service quality. *Journal of Marketing*, 52(2), 35-48.
- Zimmerman, J. L. (2001). Conjectures regarding empirical managerial accounting research. *Journal of Accounting and Economics*, 32(1–3), 411-427.
- Zollo, M., & Winter, S. G. (2002). Deliberate learning and the evolution of dynamic capabilities. *Organization Science*, 13(3), 339-351.