Interfaces, narrations and the legitimisation of financialisation:
The discursive activity of management accountants

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Abstract

This paper examines the justifications accountants give for their role and position in organisations. Through a qualitative study based on observations and interviews, we follow management accountants acting as influential representatives of the financial language in their organisations. Trying to embed financial issues within managerial decision-making, and actively supporting increasing centrality of financial literacy and expertise, these management accountants provide, in the process, ‘legitimating accounts’ of their interventions on operational processes. We group the various arguments they use to justify their influence into four categories: their position in the information circuit, their accounting and financial expertise, their degree of importance in the eyes of general management, and their role as the interface between operations and general management. We show that through these arguments they construct a narrative that legitimises the central role of financial language in their organisation, even though their intervention is legitimised by the financialisation of organisations. This study thus furthers understanding of how the narratives produced by management accountants legitimise the connection of local operations to the broader trend of financialisation.

Key words: justification, financialisation, legitimating accounts, management accountants
1. INTRODUCTION

In this paper, we want to outline the mutual reinforcement between a global trend, the financialisation of organisations and societies, and local practices, the interventions of management accountants in decision-making processes. Although the definition of financialisation is still disputed, some voicing concerns about the fuzziness of the concept (Alvehus and Spicer, 2012), researchers have tried to describe a global trend toward financialisation, often apprehended through macroscopic studies (Boyer, 2000; Froud et al., 2000) or through its effect on governance structures (Lazonick and O’Sullivan, 2000; Morin, 2000). These studies pay particular intention to the role played by equity providers (financial markets and institutional investors), and to the shareholder value model of corporate governance, as drivers of financialisation (Davis and Thompson, 1994; Morin, 2000; Roberts et al., 2006; Palpacuer et al., 2011; Cushen, 2013). Others relate financialisation to changing managerial practices. The rise of CFOs and accession of accountants and finance managers to key organisational command posts, for instance, have been described as a global trend in organisations (Armstrong, 1985; Fligstein, 1987; 1990; Zorn, 2004). More recently, researchers have paid attention to changing accountability and control patterns in organisations (Ezzamel et al., 2008; Gleadle and Cornelius, 2008; Morales and Pezet, 2012; Gleadle et al., 2014). Indeed, financialisation puts accounting metrics at the centre of accountability patterns and leads managers to define their performance and responsibility through financial measurements and principles. These studies thus illustrate the role of financial experts, including management accountants, in the financialisation of organisations.

To contribute to this literature on the links between management accounting experts and financialisation we study the justifications provided by management accountants of their influence and interventions. Trying to embed financial issues within managerial decision-making, and in the process to support increasing centrality of financial literacy and expertise within organisational practices, management accountants produce what we refer to as ‘legitimating accounts’, through which they try to have their claimed jurisdiction recognised by senior and intermediary management. We thus study these accounts and show how they can be connected to a process of legitimisation of financialisation.

We conducted a qualitative case study, involving interviews with management accountants from several multinational companies. This was part of a broader research project comprising both interviews and observations (participant and non-participant, depending on the setting) covering a wide range of issues relating to the role of management accountants
and their relationships with operational managers and other support function personnel. The initial framing of the research focused neither on financialisation nor on justifications for management accountants’ influence, but two major factors drew our attention towards those issues. First, the people we met insisted on downplaying their influence, which was a surprise as we assumed that managers would usually put themselves in the forefront. Second, all of them tried (defensively) to explain and justify the reasons for their involvement in operational processes and their influence on the decisions taken. Both these factors suggested that intervention by management accountants in operational decision-making was not taken for granted – it had to be justified. This raised questions about the dimensions of the justifications given for the role of management accountants in organisations. We thus analysed the narratives produced by management accountants about their influence on operational processes, to understand how they justify their position and interventions in organisations. We paid particular attention to issues of occupational jurisdiction, identity at work and boundary work. Broadly speaking, we aim to show the connections between, and mutual reinforcement of, financialisation and management accountants’ legitimating accounts.

The remainder of the paper is structured as follows. First, we connect the literature on financialisation to the study of management accountants’ work. This section illustrates the relevance of analysing the legitimising narratives produced by the powerful about their influence. Second, we present a case study that traces the different dimensions of legitimising narratives produced by the persons we met. Third, we analyse these narratives to understand the justifications given for the power of financial management. In the discussion, we reflect on the consequences such discursive activity can have for systemic critique and its silencing.

2. THE LEGITIMISING NARRATIVES OF FINANCIALISATION

Taking the view that management emerges in response to increasing complexity and a need for rationalised organising, support functions could be described as a rational way to build specialised expertise to improve the coordination of work in decentralised corporations (Chandler, 1977). Such a view, however, tends to overlook issues of power in the relationships between staff and line managers (Dalton, 1950; 1959). Organisations are sites of struggle and competition between members of occupational groups whose claims of expertise are arguments for access to the most powerful positions in their organisation (Armstrong, 1985; Fligstein, 1987). The role and position of support function managers thus depends on their ability to define organisational problems in such a way that their expertise and knowledge can be seen as the most useful to offer solutions (Ezzamel and Burns, 2005). The
power and legitimacy of an occupational group’s members rest on their ability to embody a discourse concerning the usefulness and importance of their intervention in organisational issues.

Like most members of support functions, management accountants feel the need to increase or demonstrate their “value added” and the usefulness of their participation in processes of work coordination. The literature usually urges them to “get closer to business” and become “business partners” to operational managers (Granlund and Lukka, 1998; Burns and Baldvinsdottir, 2005; Järvenpää, 2007). This orientation is not the only possibility, and the widely-asserted generalisation of “business partnering” is not necessarily borne out empirically (Lambert and Sponem, 2012). And yet management accountants can be influenced by such a discourse and try to live up to it. This has consequences for management accountants’ identity work (Alvesson and Willmott, 2002), as subjects vulnerable to the judgement and evaluation of others engage in a struggle for (identity) recognition (Honneth, 1995). Being keen (and urged) to position themselves as “internal consultants”, management accountants seek to have this claimed identity recognised by line managers, in order to secure a positive sense of self (Morales and Lambert, 2013).

This paper relates the struggles for identity recognition to wider social and organisational processes. Specifically, by observing management accountants’ efforts to present themselves as business partners, we study how they engage in identity work and how this influences managerial processes. We identify a connection between the justifications they give for their keenness to act as internal consultants and the processes of financialisation. Recent studies provided valuable insights on, and critique of, the mechanisms, consequences and increasing influence of financialisation (Ezzamel et al., 2008; Gleadle and Cornelius, 2008; Morales and Pezet, 2012; Alvehus and Spicer, 2013; Cusken, 2013; Gleadle et al., 2014). We contribute to this field of study by examining discursive activity of legitimisation of financialisation at intermediate levels of organisations.

Many studies have highlighted the narrative and discursive aspects of organisational structuring and management (Brown, 1994; 1998; 2006; Gabriel, 1995; Czarniawska, 1998). More recently, it has been argued that examining the self-narratives produced by managers about their careers and success can further our understanding of how inequality is justified and legitimised (Maclean et al., 2012). Although “success” is often presented as a positive value, it can become contested when it accentuates inequalities and generates elites, to the point that it is perceived as incompatible with a democratic ideal of equality (Mills, 1951; 1956). The accounts the powerful give of themselves are thus interesting, and can be analysed
as legitimising vehicles of a power elite (Maclean et al., 2012). They illustrate how responses to contestation are framed, and hence how criticism is deflected.

While the role of stories and narratives has been recognized as crucial to understand management and organizations, studies proposing a link between these narratives and the processes of domination have only appeared more recently (Maclean and al., 2012; Whittle and Mueller, 2012). This is because studies that incorporate consideration of the phenomena of domination in organisations (Fournier and Grey, 2000) have tried to provide a voice for people who lack access to public arenas, and have therefore tended to neglect the voices of the powerful. Yet as Scott (1990) clearly shows, “hidden transcripts” and their emancipating potential can only be understood in relation to the public transcripts, or self-portraits of dominant elites as they would have themselves seen. A better understanding of how powerful people’s stories operate is thus important if we are to resituate the role of narrative and discursive processes in the framework of asymmetric power positions.

Scott (1990) draws our attention to the disparity between the public transcript deployed in the open exercise of power and the hidden transcript expressed offstage. Public transcripts are interesting inasmuch as they are consistent with the official discourse the elites produce about themselves to put forward a more positive self-image. Studying these discourses should thus be considered not as a means of faithfully accounting for the representations that the powerful hold of their activity, but rather as a way of understanding how they produce specific meanings to legitimise their position and their practice (not necessarily successfully). We thus position ourselves in the perspective opened up by Maclean and her colleagues (2012) who argue that the self-narratives produced by the powerful are forms of legitimisation and justification of power.

Maclean et al. (2012) interviewed top managers from headquarters of large multinational companies, but the concept of decoupling suggests that top management’s influence on the intermediate and operational levels of organisations should not be taken for granted. We thus examine accounts produced by people working at the interface between headquarters and operational departments – decentralised management accountants (Hopper, 1980; Sathe, 1983). Several studies highlighted the influence of management accountants and argued that, through persuasion (Dent, 1991), discussion (Ahrens, 1997), pedagogy (Oakes et al., 1998) and negotiation (Ahrens and Chapman, 2002) management accountants can change the way managers see their environment. In particular, by redefining central organisational problems in accounting terms, they are presenting their distinctive competence as the most relevant to solve those problems, and this gives them a key place in such negotiations
(Ezzamel and Burns, 2005). We contribute to this stream of research by relating this influence to the broader discourse of financialisation.

Management accountants have been described as influential promoters of financialisation within organisations, attempting to shape accountability patterns so that managers interiorise financialised principles of organising (Morales and Pezet, 2012). This makes the reasons they give for their influence in organisations interesting, as they can be analysed as legitimising vehicles for the financialisation of organisations and management. Building on the notion of “legitimating accounts” (Creed et al., 2002; Vaara, 2002; Suddaby and Greenwood, 2005; Erkama and Vaara, 2010; Maclean et al., 2012) we examine the narratives produced by management accountants to justify their position, both to themselves and to others, and argue that they seek to legitimise the central role assigned to accounting in organisational processes. This gives them more influence in intra-organisational struggles, helps them produce a more socially desirable narrative of themselves in an attempt to secure identity recognition, and propagates financialisation in the intermediate levels of organisations. Broadly speaking, we aim to show the mutual reinforcement of financialisation and management accountants’ legitimating accounts.

3. RESEARCH METHODS

This research is based on a qualitative field study. We conducted twenty semi-structured interviews lasting from 45 minutes to 2 hours. We also carried out participant and non-participant observation, including observation of training assignments. Most of our interviewees are decentralised management accountants, working in business-unit teams. Eight of the interviewees work at Syclade. The others were selected to broaden the diversity of profiles: some work in services, others in industry, including consumer retail, and not all of the organisations are listed (see appendix).

Our first interviews with management accountants did not focus specifically on the question of the legitimacy of their intervention. We asked them about their everyday practices. They oriented their answers towards activities they felt were particularly interesting and image-enhancing, and this led them to mention the question of their work’s relevance for their organisation, especially for operational managers. As a result we also asked about their relations with other members of the organisation. These relations are important, because the management accountants we met all try to help operational personnel, advise them and provide “value added”. Finally, the interviews covered the role assigned to the finance
function in their organisation, its image as perceived by operational managers and its influence in decision-making.

To stabilise the interpretations proposed, we sought to approach the subject from several different angles. We therefore compared the narratives produced respectively by accountants and managers. We also considered the institutional discourse put out by the organisation: observation of training assignments gave us the opportunity to see how the representatives of the official discourse concerning the organisation position financial language in decision-making. These training courses were designed for three groups: junior management accountants, managers and accountants soon to become management accountants, and more experienced management accountants, picked out by their managers to be trained up as prospective future CFOs.

We organised our results based on the themes referred to by management accountants to justify their involvement in operational processes. We identified four types of justification: their position in the information circuit, their financial and accounting expertise, the importance assigned to them by the general management, and their role as an interface between operations and general management. These four justifications are presented successively in the next section. Our objective is to resituate the management accountants’ discourses in a logic of legitimising financialisation.

4. JUSTIFICATIONS FOR THE INFLUENCE OF THE FINANCIAL EXPERTS

When questioned about their participation in decision-making processes, the management accountants we met all began by emphasising the indirect nature of their influence, linked to their desire not to take decisions themselves. This is seen in the following interview extracts, for instance:

*But then, I’m not an operational manager, I mean I’m not going to make any decisions about what we’ll do, or about which projects we should choose and which we shouldn’t choose. (Delphine, financial controller, Syclade)*

*You’re [the management accountant] not the one in charge, they’re the people in charge, they’re the operational managers, that’s what I’m always telling them. (Amar, management accountant, Bancassurance)*

*You guide them but in the end, you don’t have the final say and the idea you’re pushing for isn’t necessarily the one that will go through. (Stéphane, management accountant, Syclade)*

*The management accountant is a guy who’s with the management, he helps with decision-making, he can shed light on decisions [but] it’s the manager who makes the decisions, [...] it’s not up to me to take responsibility for the decision, that’s not what I’m paid for. (Olivier, senior management accountant, Route&co)*
All these management accountants say they do not make decisions. What they mean, in fact, is that it is the managers who make the operational decisions. The first expression of their intervention is thus negative: it must not turn into making an operational decision, which is the managers’ responsibility. As Guillaume, junior management accountant at Chaussant, said: “the solutions are validated either by the CFO, or by the team managers, the operational managers”. And yet the management accountants interviewed are not kept out of all the operational processes:

*When the budget’s done properly it’s a collective effort, round the table you have the CEO, the CFO, the management accountant, the production manager, the sales manager. (Mathieu, head of HR, Syclade)*

*Every month in the management team meeting, since we review the financial reporting, we review the forecast progress reports (Olivier, senior management accountant, Route&co)*

The management accountants may not make any operational decisions, but they are still involved in certain processes, the most symbolic being management committee meetings. The question is whether they attend the meetings as passive observers or as active partners. Arnaud, the head of management accounting at Syclade, considers for instance that a management accountant has an “obligation to be involved [in decision-making processes] as if it was his own business”. Most management accountants prefer to say that they guide decisions and exercise informal influence:

*In the way we work, I talk with the [operational managers] and we say to them: “look, this is how you should work”. That’s more informal. (Anthony, former decentralised management accountant, Agrofabrique)*

*And then, well, people speak up for their projects, we’re there to support them, we don’t decide anything, in terms of strategy, we provide a lot of guidance.” (Stéphane, management accountant, Syclade)*

*However, in management accounting the advantage is that you realise you can guide things in a certain direction (Peggy, former management accountant, CaptiTV)*

The way management accountants talk about their involvement is thus ambiguous. On one hand, they stress the managers’ role in decision-making, a role they do not wish to take over; on the other hand, they also believe they have the capacity to guide the choices made. This indirect influence by management accountants has been widely documented in the literature. The question of interest to us here is the explanations the management accountants put forward to justify that influence. Our interviewees emphasised four types of justification: their central role in the information circuit, their expertise in the fields of accounting and finance, the importance assigned to their point of view by general management and their role
as interface between general management and operations. We now examine each of these points separately.

4.1. Central role in the information circuit

First of all, the management accountants explain their influence by their position in the information process. They are the recipients of information produced by different departments, and have access to data from all the information systems used in their organisation. Management accountants thus see themselves as an interface between systems that are sometimes incompatible, their job being to bring out information that is useful for managers:

*The definitions and specifications go through my teams: what the shopkeepers want, what the factories want [...] everything to do with sales analysis or cost analysis, the programmes are run by the teams that report to me.* (Robert, head of industrial and sales planning, Ozonair)

*You get to a stage where people understand what I do and they’re always coming to see me to say “hey, what if we did such-and-such, I need this information.” I’m kind of the supplier of information.* (Anthony, former decentralised controller, Agrofabrique)

*Because you have different systems that aren’t compatible, and then because actually, you have to go picking out information all over the place, loads of stuff where you don’t have user-oriented systems, but you often have technically-oriented systems, you know, saying: “right, well, this comes from such a place and this is how it works”.* (Olivier, senior management accountant, Route&co)

The management accountants we met feel that they occupy a central position in information circuit. As Christophe, a former management accountant at Pharmaceutix, commented, he is “in the middle of the firm” and “supposed to have access to everything”. The management accountants thus take on the role of suppliers of information. This position also gives them an overview of the way their organisation operates:

*It’s that fact of having an overview, it’s “I understand from beginning to end”, that’s what means that in my work I can say, well, I can contribute some value added. [...] In the end, everything that happens in the company is found in the reports and what’s really powerful is that it’s all in the same unit, that is, the local currency (Stéphane, management accountant, Syclade)*

*The value added of the management accountant is that he has an overview of the business.* (Christophe, former management accountant, Pharmaceutix)

*That gives you an overall view of the group [...] the ins and outs of the company’s major issues.* (Anthony, former decentralised management accountant, Agrofabrique)

The management accountants interviewed claim to have an “overview” of all their organisation’s activities. This is because they produce accounting, which aggregation properties positions as a common language to facilitate communication among managers with different backgrounds, experience and knowledge. This position offers management
accountants two main advantages: it enables them to help operational managers to take all relevant information into consideration, and it also means they can play a warning role:

So people often think of problems they want to sort out here and now, without always having the overview of all the possible related factors. “No, hold on, you need to consider this, and that...” That’s what management accounting is useful for, making connections. (Anthony, former decentralised controller, Agrofabrique)

[As management accountant] you help them [the operational managers] to take a longer view. Even if they’re the ones who know the problems, and also the ones who know the solutions. When they’re busy dealing with it, they can’t see the bigger picture. (Stéphane, management accountant, Syclade)

So that’s kind of how they see us, both as a support and a means of pointing out what’s wrong, and taking action before disaster happens. [...] So the business partner’s role involves a lot of discussion to put them on the right track. (Sylvie, head of management accounting, Bienconstruit)

Amidst all the flows of information in circulation, management accountants can notify operational managers quickly when things are “going off course”, warning them about budget overruns for example, and thus “put the operational guys on the right track”. But apparently, refusing to allow expenses or alerting them to budget overruns does not confer a particularly positive role on management accountants. So the focus is more on helping coworkers to “take a longer view”, “make connections”: at the intersection between different information circuits, drawing on the recurring reports supplied by the financial and accounting reporting system, they construct the “overview” that enables managers to look beyond their specialist view. They thus influence the very definition of what constitutes relevant information and what can be ignored. Management accountants construct several tools to help operational managers “see clearly”:

[The management accountant] has to set up a system that means the operational managers can see things clearly, including matters relating to personnel [...] and make fully-informed decisions. He provides tools so other people can make the decisions. (Robert, head of industrial and sales planning, Ozonair)

[I developed] automatic P&Ls so the sales staff could enter the figures themselves, to see at what point the things started flashing red because there was a problem, even if it was validated afterwards. I made [...] a system so the sales people could do the prices themselves. Developing all the systems [to make them] available. (Peggy, former management accountant, CapitITV)

Just the figure all on its own was no use to them. So I gave them a little database in Excel, with pivot tables, which I send out to them on D+2 and that means they can get on with it all by themselves. (Anthony, former decentralised controller, Agrofabrique)

The management accountants thus construct various systems and applications to give managers access to certain information. Rather than the restrictive role of an inspector in charge of stopping budget overruns, they act as partners capable of constructing decision aids. The words used are significant: they say they are making systems “available” with a declared
aim of increasing managers’ autonomy – they can now do everything “by themselves” – and managers’ responsibility – they can now “make fully-informed decisions”.

Management accountants thus present themselves as experts in finance, who can help managers to make decisions or argue in favour of their projects, while still “framing” them when they deviate from “the right track”. But accounting is not the only integrating language in organisations, and though the management accountants’ position in the information circuit justifies their intervention, that position itself is open to challenge: traditionally, several different functions have occupied a similar position, and it is only recently that the representatives of financial language have gained dominance (Fligstein, 1987). Nor is this position a given everywhere; other organisations keep finance specialists more on the sidelines (Lambert and Sponem, 2012). So the question is why this central position in information flows has been conquered by the management accountants, rather than representatives of other departments. To answer this question, we now examine the other three reasons put forward by the management accountants interviewed: their accounting competence, the general management’s view, and their role as an interface between operations and management.

4.2. SHOWING EXPERTISE: ACCOUNTING AND FINANCIAL COMPETENCE

After their privileged position in the information circuit, the first factor that the management accountants put forward to explain their influence concerns their financial competence. They consider that financial information is essential in decision-making. All the management accountants interviewed stressed how important their firm’s management consider financial data to be: for example, Arnaud, head of management accounting at Syclade, believes that finance is the “cement” that makes it possible to manage all activities in his organisation; and Christophe, former management accountant at Pharmaceutix, says, “you can’t take decisions without financial decisions”. Management accountants thus present themselves as the “professionals” of financial information:

*We ask the management accountants to be aware of their own part of the profit and loss statement. For a factory management accountant, that will be costs, cost analysis for instance […] and so on.*
(Arnaud, head of management accounting, Syclade)

*It’s accepted, you see, [as a management accountant] you have the technique, you have the systems and you’ve even got the material, because management accounting as such means you need to have accounting skills, tax skills, [cash management] skills, etc.* (Amar, management accountant, Bancassurance)

*It’s true that you can’t make up accounting rules, you have to know them – a balance sheet, how it works, the connections with a profit and loss statement, if you do something with one of your P&L items, how that will affect the balance sheet – you have to know all that.* (Guillaume, junior management accountant, Chaussant)
Management accountants emphasise their good knowledge of accounting concepts and mechanisms. This is a distinctive competence: “you can’t make it up”. They present themselves as experts in accounting and financial information, and therefore able to advise decision-makers on how to translate their choices or the events affecting their business into financial terms. They can thus provide financial arguments to support the projects the operational managers would like to start up:

The way you decide the investment period, the criteria – whether you refer to the NPV or the IRR – or how far you show the detailed lines, at some point you learn that it’s much more likely to be accepted, the way you present a table, if you show them stuff like indicators that are on green, because I know what the financial management are going to be looking, so I tell them [the project managers]: ‘if you have too much CAPEX in the first year, it’ll never get through, try to spread it over two years at least, you defer the project, and it’ll have more chance of getting through’. There’s that role, to help them a bit with presenting their stuff. (Peggy, former management accountant, CaptiTV)

We’ve got a whole list of projects. We’re complete novices as regards the content, but we’re there to help people shape them financially so they’ll try to think of absolutely everything! And then, well, the projects are defended, we’re there to support them. (Stéphane, management accountant, Syclade)

The management accountants work to help managers “present” their arguments in a good light. They are familiar with the standard financial criteria and used to constructing indicators that will not necessarily have convergent results. Quick to understand which accounting treatments could help to improve the prospects for a proposed investment, they can advise a project manager and help identify which arguments should be used for hierarchical accountability. They may thus seek to convince operational managers of the relevance of accounting information:

It takes a lot of time […], showing them [the operational teams] that as far as the arguments are concerned, what you’re saying is true: facts and figures, etc. […] In the decision-making bodies, there are few people who are neutral. Let’s say that there are two large bodies that have, in quotation marks, a vocation to be relatively neutral; they are […] market research and accounting. Why? Because we don’t have preconceived opinions about promotional policy, etc. What we see is materiality and how it is transformed on the ground, how it is transformed into money, into value creation, etc. (Elise, management accountant for brands, Globalmarket)

On some subjects, I’m thinking of our stocks particularly, management accounting has a really effective system for stock monitoring, which the supply chain doesn’t necessarily have, and what’s more management accounting has what you might call the official data, the accounting figures for the stocks. (Sylvie, head of management accounting, Bienconstruit)

While the operational managers call on the services of management accountants to help them present their arguments better in communications with the general management, they also consider financial competence useful because accounting information is “factual”, “neutral” and “official”. The two dimensions of accounting – the fact that it is both sufficiently malleable to be shaped for presentation purposes, and sufficiently neutral to
appear factual – are not perceived as contradictory: while the figures produced by other departments are considered biased, the management accountants’ figures are considered objective. Still more surprisingly, their figures are the only ones perceived as “official”: even the members of the logistics teams contact the management accountants to get the “data” for the stocks they manage. And the reason these figures represent official data is because the general management perceives them as essential.

4.3. Importance in the Eyes of the General Management

The management accountant’s legitimacy to influence behaviours and decision-making stems from the importance general management assigns to the finance function. The people we met work in businesses where finance occupies a central role and is considered increasingly important:

*There’s great power in the finance function, or network, as they say. (Delphine, financial controller, Syclade)*

*And then, you know, we’ve got a well-developed head office. [...] Route&co is quite centralised, and the finance function, I’d even say the management accounting function, is very influential, I mean today we’re preparing the budget presentation that we’re going to give in two days, no, three days, and in fact of our 117 slides at least around fifty are about margins and stuff like that, you know, at least. (Olivier, senior management accountant, Route&co)*

*Anyway, nowadays it’s a different corporate culture, other criteria, it’s finance that rules. It used to be that the schedulers were king, but now it’s only financial criteria. (Peggy, former management accountant, CaptiTV)*

In organisations where the general management considers the financial viewpoint important, accounting measures – calculations of margins, costs, returns, budget variances and other financial indicators – are everywhere. They are carefully examined by senior managers and it becomes important for all managers to take them into account. In such a setting management accountants can use their accounting expertise to present themselves as the most legitimate to produce these assessments. They can also count on support from their superiors. They thus justify their influence by the influence of general management, seeing themselves as a kind of liaison officer:

*They [the operational managers] know that the financial management are the voice of general management, so they have to do it [what the financial management asks]. (Sylvie, head of management accounting, Bienconstruit)*

*Sometimes we [the management accountants] lay down the law and say: ‘this is how you must work’, but it comes from the group [i.e. the general management], you distance yourself a bit: ‘well, sorry, but those are the instructions’. (Anthony, former decentralised controller, Agrofabrique)*
As this last quotation shows, management accountants rely on their superiors to impose their view while avoiding criticism: the decision comes from the general management, “sorry, but those are the instructions”. Implicitly, these extracts show that the intervention of management accountants is not always welcome: as Christophe says, “it’s war between finance and the others”. But there is no easy way around it: according to Mathieu, head of human resources, at Syclade, “it’s very, very unusual to find a general manager who doesn’t keep up with or listen to his finance officer”. Management accountants may ascribe their influence to their accounting expertise and their central role in the information circuit, but that centrality is thus explained by the importance the general management assigns to their point of view. The final factor to explore concerns the reasons management accountants give for their importance in the eyes of the general management.

4.4. INTERFACE BETWEEN OPERATIONS AND GENERAL MANAGEMENT

The management accountants we interviewed feel strongly supported by the general management of their organisation, and believe that its members consider their view important. Meanwhile, they are decentralised officers, i.e. in regular, direct contact with operational managers. This simultaneously central and decentralised position occupied by management accountants makes them an interface, a link between operational, local knowledge and accounting and financial knowledge:

[The management accountant] is the only person who speaks both languages, the language of numbers and the language of business. He should speak both those languages. (Mathieu, head of human resources, Syclade)

[The management accountant] is the translator between what they have at operational level and the general management. (Peggy, former management accountant, CaptiTV)

[What a management accountant does] is really act as the link between accounting [and operations]: you check that the accounts in the books are an accurate, real reflection of your business, and you’re the liaison with the operational managers. (Guillaume, junior management accountant, Chaussant)

The management accountants thus see themselves as translators able to report in financial language on important events affecting the life of their organisation. This is why they must “spend time on site” “talking with the operational guys”, “listening” to them in order to “gather information from all over the place” as Anthony, former decentralised controller at Agrofabrique, put it. This understanding of local organisational phenomena gives meaning to the accounting numbers and thus makes it possible to present a convincing narrative to stakeholders external to the organisation:

We also have obligations as regards financial communication. We’re systematically asked for prior year comparisons for the same quarter, and in fact that makes quite a bit of work for us
because we are, so to speak, the only ones who know how to make the numbers meaningful. (Luc, management accountant, CaptiTV)

Alongside that, there’s a financial communication angle, we’re really the armed forces of the financial communication team, because you have to tell a story for each business line, so you start from your own story, your neighbour’s story and the story of all the business lines, and that gives you a nice story you can present to the financial communication people. (Amar, management accountant, Bancassurance)

The instruments used by management accountants, particularly reporting systems, supply figures that will be used for communication purposes. Their close links with operational managers mean they can both check that the figures reflect operational activity, and supply qualitative information to build a narrative for the externally-reported accounting numbers. To do so, they need to keep abreast of operational events, and draw on local knowledge for a better idea of how to explain the sequence of events and decisions that led to a certain financial position. Although this appears to be a passive role, it is also a chance to influence operations:

[A management accountant] must know all the operational managers’ tricks of the trade. He should spend an hour in the factory every day to listen to what’s being said. [...] He has the sales info, he has the factory boss’s info, he attends the factory committee meeting once a week. So he’s up to date [with everything]. [...] When you’ve been on site, afterwards, it’s easier to challenge the operational managers. [...] When he gets out of his own office, there are meetings to report on the work done, to listen to the problems emerging, so starting by just talking and then engage in a little pedagogy. (Arnaud, head of management accountant, Syclade)

In the current group companies, some apply Basel II as the standard or advanced method, and so it’ll soon be Basel III. You need to remember the weightings. And you have to inculcate that into the operational managers, because you [...] aren’t on the credit committees. (Amar, management accountant, Bancassurance)

For a manager to be really aware of the important things, scorecards [tableaux de bord] have been developed and come out every month, well [...], about the consequence of applying a policy. (Robert, head of industrial and sales planning, Ozonair)

There’s the side that involves training, but guidance, a kind of pedagogy, you know, of the operational teams in fact. [...] But what’s interesting, you know, is that your [operational] guy has value creation targets. So all that’s still a hell of a long way from his day-to-day concerns [...]. And in fact, it’s times when, on the back of an envelope, you say: ‘right, well look, what exactly is value creation? It’s a big word but in fact it’s perfectly simple really!’ [...] and so basically, the idea is that you teach him. (Olivier, senior management accountant, Route&co)

Beyond the understanding of what happens “on site”, management accountants seek to make operational managers “aware” or even “challenge” them and do some “pedagogy”. The idea is to “inculcate” certain accounting reflexes into operational managers, as explained by Amar, management accountant at Bancassurance, while Robert, head of industrial and sales planning at Ozonair, talks of “self-monitoring”. This pedagogy is framed by the organisation’s general policy (“what’s important”) and guided by “value creation” targets – with the implication that the value concerned is for shareholders. And so the management
accountants teach finance to the managers, and thus try to change certain behaviours of members of the organisation, making sure they do not stray too far from financial concerns, and that they internalise financial mechanisms and logics.

It is the fact that they can teach managers financial mechanisms and thereby encourage them to internalise financial logics, and that they are able to explain to management the operational events that make sense of the accounting figures, that puts management accountants in a central position in organisations.

5. DISCUSSION AND CONCLUSION

This article began with a surprising observation: while managers are generally inclined to emphasise their importance, their responsibilities and their ability to decide between different options, management accountants all stress that they do not actually make decisions. In fact they are thinking of operational decisions, which are the management’s remit. Also, their influence may be discreet and indirect, but it is nonetheless extensive. This paper thus aims at better understanding this ambiguity.

We interviewed people from different positions and observed several interactions to understand how management accountants’ influence is justified in their organisation. Intervention by accountants takes place within intra-organizational struggles for access to key positions (Armstrong, 1985; Fligstein, 1987). Urged to become business partners, they try to influence operational. The latter are not necessarily easily convinced and accountants thus engage what Honneth (1995) called a struggle for recognition. To better understand their claimed role and identity we examined management accountants legitimising narratives, which we organised in four broad categories.

Firstly, they see themselves as occupying a central position in the information circuit. This central position involving responsibility for circulating information can confer a certain degree of influence, but that does not explain why the people occupying this position are the management accountants. As Fligstein (1990) showed, this situation results from an ongoing struggle between organisational specialisations. Besides, managers can always find information themselves from competing sources (Friedman and Lyne, 1997; Jazayeri and Hopper, 1999). So it is the power of the management accountants that gives them their central position, rather than the opposite – or at least, the position alone is not enough to explain their power or their legitimacy.
Secondly, management accountants explain their central position by their accounting expertise. When performance is measured essentially in terms of financial indicators, especially shareholder value, and when the criteria of accountability are primarily financial, accounting expertise becomes central. Interestingly, the people we interviewed put forward two other types of argument. First, they said their expertise is important because accounting produces “official” information, “data” that will be disclosed to external stakeholders. Management accountants thus help to reify accounting data (Bourguignon, 2005) and present them as an objective view: the reason their opinion matters is because they come up with figures. Then in addition, they present themselves as neutral: while managers have a stake in the measures produced, and seek to produce “good” results, the management accountants act as impartial judges whose job is to measure other people’s results. This does not prevent them from “challenging” the operational managers, particularly to ensure that the results are “genuinely good”. But here too, the management accountants have competition for their position.

Thirdly, management accountants consider that accounting has been chosen by the general management as the official language of managerial accountability. If their opinion is important, that is because they speak in the name of that accountability. As a channel for shareholder expectations, accounting defines managers’ performance in financial terms. Once again, the argument put forward is more complex than it first appears. When managers present new projects to the general management for validation, the general management will base its decision on financial data. Its members consider figures validated by management accountants more reliable and credible: their opinion is a guarantee that financial information is “true”, an endorsement that has the subjective consequence of reassuring the general management as to the soundness of the figures used to submit a project.

Fourthly and finally, management accountants justify their influence by their role as an interface between operations and general management. With their knowledge of the financial and accounting rules to which central management is sensitive, they can help managers to present their arguments in financial terms; and with their awareness of operational events (which they translate into accounting every month), they can give general management the local viewpoint on such events. But this interface should not be considered neutral: the reason they can provide endorsement for operational arguments is that they have previously “challenged” the operational managers, questioned their arguments and sought to test their validity.
The management accountants we interviewed thus presented four types of argument to justify their influence. As shown above, none of these arguments is sufficient in itself; the management accountants have competitors in the organisation who are able to supply reliable data or act as an interface between operational and central management. In fact, what makes the management accountants interviewed influential members of their organisation is the interweaving and convergence of all four arguments. This convergence is itself the product of a broader trend – financialisation.

Our interviewees’ capacity to identify different dimensions to justify their influence indicates a certain reflexivity: even when not asked about it, they spontaneously discussed the reasons for what they do and the legitimacy of their intervention. This reflexivity remains limited, however, and they do not try to resituate these reasons in more macro-sociological trends. And yet the justifications they put forward for their influence can be understood as legitimisations of the growing financialisation in organisations.

Several studies showed the consequences of financialisation on organisational practices (Boyer 2000; Froud et al., 2000; Lazonick and O’Sullivan, 2000; Cushen, 2013; Gleadle et al., 2014). However, these studies tend to relate financialisation to pressure from financial markets and changing governance structures. Others showed the relevance of internal mechanisms, including the role of shareholder value measurements (Ezzamel et al., 2008; Gleadle and Cornelius, 2008). We contribute to this stream of research by highlighting the significance of legitimising narratives produced by management accountants in the spread of (consent to) financialisation at organisational intermediary levels.

When the variable share of their pay comes to be based on measures of shareholder value creation, managers become more aware of the accounting framework of management: they have to meet targets expressed in financial terms, and their projects are assessed on financial performance measures. These developments have an impact on operations and their day-to-day management. For example, projects are no longer assessed solely in view of their industrial or commercial potential, nor even for the profits they can generate, but in terms of shareholder value creation (they must now incorporate balance sheet items such as working capital into project performance measurement) and the cash flow generated. This means that management accountants must “raise awareness” of these mechanisms in operational managers, for example by showing them the impact of their decisions on working capital and cash; most importantly, this is an opportunity to explain that they must take these factors into consideration in their everyday decisions. The management accountants’ discourse is thus interesting because it is a way of legitimising the financialisation of operational process.
Our analysis of the cases studied shows that accounting is perceived as an official language producing objective, useful figures that will lead to impartial judgement on organisational events. So the accountants are not only influential: they also acquire a central position in the information circuit and use their knowledge to “educate” managers and “instil” in them financial understanding of their work and the impacts of the decisions made. This enables them to justify the extent of their intervention in operational processes. Financialisation and management accountants’ power are mutually reinforcing (Morales and Pezet, 2012). Acting as “business partners”, the management accountants can raise managers’ financial understanding of their work, and thus encourage financialisation of operations; and widespread financialisation is what enables them to justify their interventions.

The literature has long described the influence of accounting information itself (Simon et al., 1954; Burchell et al., 1980), but we should not overlook the political power that access to such information confers (Ezzamel and Burns, 2005). The management accountants we interviewed do not see this position as a source of power: since decisions are taken by the managers, they present themselves as advisors with no decision-making power. In fact, the management accountants insist that they do not want too much influence over decision-making processes, so as not to lessen managerial accountability (Lambert and Sponem, 2012).

We have shown that this ambiguity takes on a special meaning when resituated in the context of financialisation of organisations. Managers must justify their decisions in financial terms, and their responsibility is redefined in accounting language. This gives them an incentive to mobilise the relevant expertise of management accountants. Intervention by the management accountants becomes increasingly unavoidable as, without the endorsement of the management accountant, the operational managers’ opinions are considered less credible and hence less influential. Yet they alone remain accountable for the decisions made. And so, discreetly and indirectly, managers are encouraged to internalise the frames of financial accountability: being free to make decisions based on personal experience, competence and judgement, but having to report on those decisions in accounting and financial terms, managers are gradually appropriating the tools of financial management. The idea that the concepts of organisation and performance are based on accounting definitions is therefore increasingly accepted as natural and implicit, and goes unchallenged. Beyond the financial markets and governance structures, financialisation is thus reflected, even in the intermediate and operational levels of organisations, in an increasing naturalisation of the financial understanding of management and accountability principles.
These findings are interesting because they highlight aspects of financialisation that literature often overlooked. Instead of assuming the leading role of financial markets and governance structures in the financialisation of organisations, we argued that its diffusion, from central levels to operational levels, is not unproblematic. Hierarchical authority is not enough to change the way managers perceive their organisation and their role. We thus showed that the constitution of interfaces, within which legitimating accounts are produced, are ways through which localised operations are connected to the broader trend and discourse of financialisation. These legitimising narratives thus participate in the ‘fabrication’ of financialisation.
# APPENDIX: INTERVIEWS CONDUCTED

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Organisation</th>
<th>Position</th>
<th>Duration of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amar</td>
<td>Bancassurance</td>
<td>Management accountant</td>
<td>70 min</td>
</tr>
<tr>
<td>Daniel</td>
<td>Bancassurance</td>
<td>Management accountant</td>
<td>55 min</td>
</tr>
<tr>
<td>Guillaume</td>
<td>Chaussant (Textiles)</td>
<td>Junior management accountant</td>
<td>70 min</td>
</tr>
<tr>
<td>Nuong</td>
<td>DiamANTAIRE</td>
<td>Management accountant</td>
<td>45 min</td>
</tr>
<tr>
<td>Peggy</td>
<td>CaptiTV</td>
<td>Former management accountant</td>
<td>80 min</td>
</tr>
<tr>
<td>Luc</td>
<td>CaptiTV</td>
<td>Management accountant</td>
<td>80 min</td>
</tr>
<tr>
<td>Olivier</td>
<td>Route&amp;co</td>
<td>Senior management accountant</td>
<td>75 min</td>
</tr>
<tr>
<td>Anthony</td>
<td>Agrofabrique</td>
<td>Former decentralised management accountant</td>
<td>120 min</td>
</tr>
<tr>
<td>Christophe</td>
<td>Pharmaceutix</td>
<td>Former management accountant</td>
<td>70 min</td>
</tr>
<tr>
<td>Robert</td>
<td>Ozonair</td>
<td>Head of industrial and sales planning</td>
<td>90 min</td>
</tr>
<tr>
<td>Elise</td>
<td>Globalmarket</td>
<td>Management accountant for brands</td>
<td>80 min</td>
</tr>
<tr>
<td>Sylvie</td>
<td>Bienconstruit</td>
<td>Head of management accounting</td>
<td>60 min</td>
</tr>
<tr>
<td>Stéphane</td>
<td>Syclade</td>
<td>Management accountant</td>
<td>130 min</td>
</tr>
<tr>
<td>Arnaud</td>
<td>Syclade</td>
<td>Head of management accounting</td>
<td>60 min</td>
</tr>
<tr>
<td>Delphine</td>
<td>Syclade</td>
<td>Financial controller</td>
<td>95 min</td>
</tr>
<tr>
<td>Patrick</td>
<td>Syclade</td>
<td>Head of management accounting</td>
<td>65 min</td>
</tr>
<tr>
<td>Maud</td>
<td>Syclade</td>
<td>Operational manager</td>
<td>50 min</td>
</tr>
<tr>
<td>Dominique</td>
<td>Syclade</td>
<td>Head of senior management training</td>
<td>45 min</td>
</tr>
<tr>
<td>Florence</td>
<td>Syclade</td>
<td>Management accounting</td>
<td>55 min</td>
</tr>
<tr>
<td>Mathieu</td>
<td>Syclade</td>
<td>Head of human resources</td>
<td>60 min</td>
</tr>
</tbody>
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REFERENCES


new organizational reality. *Accounting, Organizations and Society, 16*(8), 705-732.


