ABSTRACT

Purpose - The paper provides insights into the importance of accountants’ networks inside organisations, the parties who comprise those networks and how accountants go about building and maintaining their networks. It also illustrates the use of strong structuration theory, which specifically considers the networks that surround agents. The theoretical discussion highlights the significance of communication as agency in the context of accounting practice through a strong structuration perspective.

Design/methodology/approach - A qualitative approach to the inquiry was adopted. Interviews were conducted with 30 Australian accountants from 22 not-for-profit organisations. A thematic approach was used to analyse the transcripts. Structuration theory, supplemented by strong structuration, informed the study.

Findings – The interviewees attested to the importance of communication and developing networks within their organisations. They actively sought to expand and enhance their networks. The accountants played a pivotal role in networks and they pursued both horizontal and vertical relations. The accountants’ knowledge of organisational positions and perceptions of their own roles were used strategically in attempts to alter the internal structures of networked others.

Originality/value - The study contributes to the meagre literature regarding accountants’ networks within organisations. It provides insights that may assist accountants in enhancing their own networks. Although structuration theory is well-established in accounting research, the enrichments offered by strong structuration are illustrated in this study.

Research limitations/implications - The interviewed accountants worked in not-for-profit organisations and this may influence the findings. Future research might consider accountants working in for-profit organisations. The study provides insights into strategies to develop intra-organisational networks.

Keywords: accountants, communication, networks, strong structuration.
1. Introduction

One of the most consistent findings in the social science literature is that whom you know often has a great deal to do with what you come to know. (Cross, Parker, & Sasson, 2003, p. 8)

During a wider study of how accountants in not-for-profit (NFP) organisations use and disseminate accounting information, the amount of time and effort expended by chief financial officers (CFOs) and other senior accountants in establishing intra-organisational networks and in fostering relationships with co-workers was beyond expectation. It is clear from the literature and from the authors’ experience that establishing and sustaining relationships takes considerable effort (Jones, 1999). Studies of the roles of CFOs highlight the importance of accountants’ intra-organisational networks. Developing effective alliances with other members of the leadership team is fundamental to carrying out the CFO’s role effectively (IFA, 2013).

Furthermore, the quality of inter-departmental relations is seen as being one of the greatest barriers to CFO effectiveness (Ernst & Young, 2013a). Relationships are deemed important for accountants in varied organisational positions. For instance, management accountants require well-developed interpersonal skills as they “interact and build trustworthy relationships with colleagues across different business areas and different levels of seniority” (Burns & Baldvinsdottir, 2007, p. 127).

The development of public accountants’ networks (Koza & Lewin, 1999; Sellers, Fogerty, & Parker, 2014) and networks between organisations (Grafton, Abernethy, & Lillis, 2011; Mouritsen & Thrane, 2006) have been studied. Although the study of networks has gained the attention of researchers and practitioners in many disciplines (Nonino, 2013), accountants’ networks within organisations, aside from public accountants (Gaffney, McEwen, & Welsh, 2001; Herbohn, 2004), have received scant attention from researchers. This paper adopts Eckenhofer and Ershova’s (2011, p. 30) definition of intra-organisational networks as the “relations between employees”. It is also recognised that alliances and networks play a significant function in power relations (Skærbæk & Melander, 2004). Throughout this paper the term networks is used to refer to intra-organisational networks.

For the accountants in this study, the question is whether the networks that they develop enable them to communicate with colleagues more easily about accounting matters and whether they perceive their organisations to be more effective due the influence that they can exert through such communications. Theoretically, there is an interesting question concerning how accountants choose to communicate in order to change the behaviour and attitudes of those in their networks. What emerges from this study is the intention of accountants to increase the financial astuteness of those working within their organisations. This in turn would create more meaningful conversations and actions concerning the financial running of their organisations. This theoretical approach is in line with Giddens’ concepts of structuration, as he says “All processes of the structuration (production and reproduction) of systems of social interaction involve three elements: the communication of meaning, the exercise of power, and the evaluation and judgement of conduct” (Giddens, 1977, pp. 132-133). Strong structuration theory (Stones, 2005), which builds on Giddens’ prior structuration work (1982, 1984), was used as a theoretical framework. Concepts of active agency within the theory allow us to explore how agents draw on internal and external structures, and their knowledge of other agents. They then act strategically to alter structures and taken-for-granted rules and routines within their organisations. While Giddens’ (1984) structuration theory develops, to some extent, a strategic conduct analysis, Stones’ (2005, 2015) work goes much further in developing epistemological aspects of the theory (Bryant & Jary, 2011). The latter guides researchers to use conduct analyses that draw deeply on the knowledge that agents have of their own and
others’ contextualised fields. The accountants’ views regarding the network of others that continually inform action (Thrift, 1996, p. 54) is a differentiating feature of the current study. The case study of NFP organisations presented here allows us to study network and relationship building, and choice of communication, as active agency within a strong structuration framework. The analysis extends understanding of how the choices accountants make about how they communicate and with whom, contributes to the process of structuration in accounting practices. The primary objective of the study is to use strong structuration theory as a lens to provide insight into:

- the level of importance that accountants attach to developing their networks;
- the key parties who make up accountants’ networks;
- the strategies that accountants adopt to influence the formation and maintenance of their networks; and
- accountants’ use of networks to influence and develop their organisations.

The contribution of this paper should be set in the context of the existing literature. One aspect of management innovations over the past few decades has been the reduced role of formal reporting structures and an increase in informal employee networks (Cross, Nohria, & Parker, 2002). Connectivity and the robustness of employees’ networks “can have a significant impact on strategy execution and organizational effectiveness” (Cross et al., 2002, p. 66). Managers rely extensively on informal information (Brennan, Kirwan, & Redmond, 2016). Access to such information is crucial for the success of individual organisational members as well as their organisations (Zeffane, 2006). Although accounting communication pervades organisational life, intra-organisational communication processes have been almost totally neglected by accounting researchers (Ametic, 2013; Parker, 2013). This study provides timely information for professional bodies and others involved in the training and development of senior accountants concerning strategies to enhance accountants’ communication inside organisations (CAANZ, 2016; Ernst and Young, 2016b).

Using a qualitative approach, thematic analysis was applied to interviews conducted with 30 accountants working in NFP organisations undertaking educational/research, health, religious and/or social services activities. The NFP sector provides a significant context for the study. While it is generally agreed that the lines between the sectors are blurring (Arsheaultm & Vaughan, 2015; Bromley & Meyer, 2017), NFP organisations nevertheless continue to exhibit some distinctive characteristics. Attributes, such as focusing on their missions, the inability to raise funds by shares and to distribute profits (Dees & Anderson, 2003; Hume & Hume, 2008) may impinge on the work of their accountants. In NFPs accounting contributes to legitimisation (Irvine, 2005). Furthermore, NFPs continually face resource constraints (Irvine, 2011; Valentinov, 2010). This study will provide information to assist accountants at resource poor NFPs, enhance their organisational effectiveness through the expansion and strengthening of networks.

The paper is structured as follows. The limited literature concerning accountants, their networks and specific communication partners is reviewed. A synopsis is provided of prominent aspects of interdisciplinary research into networks. Strong structuration and its appropriateness for studying agents and their networked others is explained. An outline of the qualitative approach to the research includes a discussion of the characteristics of the research participants and the approach to analysing the interview data. The study’s research questions are addressed in the findings section. The discussion compares the key findings with prior literature, provides theoretical insights and reflects upon how strong structuration has enhanced the study. The conclusion includes suggestions for further research.
2. Prior literature: Accountants’ networks and organisational networks

2.1 Accountants’ networks

The need for accountants to build relationships and develop networks within their organisations has been touched upon in several studies. CFOs anticipated that their networks would expand as they participated in teamwork within their organisations (IBM, 2013). Strong relationships with non-financial senior managers are needed for CFOs to carry out their roles effectively (Ernst & Young, 2013a). It has also been found that internal and external peer networks play a vital function in building a successful CFO career (Kambil, Feliciano, & Domes, 2009). Likewise, successful financial controllers have been characterised as being diligent in fostering relationships with senior management (Ernst & Young, 2008). The ability to build relationships, work in teams and foster trust are also seen as being critical elements of the management accounting process (Burns & Baldvinsdottir, 2007, p. 127).

Specific studies addressing the parties that comprise accountants’ networks are difficult to find. Chapman’s (1998) study showed variations in the extent of accountants’ intra-organisational networks owing to organisational and external influence. His study provided an overview of the interactions between and among managers and accountants. The study considered four UK clothing and textile companies which were differentiated based upon uncertainty and performance. The high uncertainty and high performing organisation had difficulties in forecasting. It continued to refine information for the budgeting process and this led to increased communication between its accountants and operational staff members. In the low uncertainty organisations, there was less dialogue between their accountants and operational staff members. Within the accounting group of the high uncertainty and low performance company, there were extensive discussions. However, there were low levels of verbal communication between all the groups owing to the reliance on written reports.

Recently, a little more light has been shed on accountants’ networks by Endenich, Trapp, and Brandau (2017), who contrasted styles of management accounting in German and Spanish manufacturing companies. Management accountants’ networks were found to facilitate access to relevant information and influence decision-making. A functioning network was particularly important for the implementation and use of management accounting techniques, especially for the communication of unpopular or critical initiatives such as restructuring or cost-cutting. Management accountants networked with multiple corporate decision-makers and they provided an essential link among organisational members across various departments and hierarchical levels. Informal networks allowed faster data access relative to formal reporting lines and provided information that could not be captured using standardised processes.

Other studies, whilst not specifically discussing accountants’ intra-organisational networks, nevertheless focused on the roles of accountants and, as a by-product, touched upon those with whom they communicated. The most detailed report outlining the links between CFOs’ roles and their relationships with other organisational members was undertaken by Ernst & Young (2013a). Six dimensions of CFOs’ roles were identified. The internal relationships related to each dimension are shown in Table 1.
Table 1: CFOs’ Roles and Related Internal Relationships (compiled from Ernst and Young, 2013, pp. 16-17)

<table>
<thead>
<tr>
<th>CFOs’ Roles</th>
<th>Related Internal Relationships</th>
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<tbody>
<tr>
<td>1. Ensuring that business decisions are grounded in sound financial criteria</td>
<td>Chief Executive Officer/Chief Operating Officer</td>
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<td></td>
<td>Business unit heads</td>
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<tr>
<td></td>
<td>Heads of key support functions: Risk, IT, Operations, HR</td>
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<tr>
<td></td>
<td>Marketing and Sales</td>
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<tr>
<td>2. Providing insight and analysis to support Chief Executive Officer and other senior managers</td>
<td>Chief Executive Officer/Chief Operating Officer</td>
</tr>
<tr>
<td></td>
<td>Business unit heads</td>
</tr>
<tr>
<td></td>
<td>Heads of key support functions: Risk, IT, Operations, HR</td>
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<td></td>
<td>Marketing and Sales</td>
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<td></td>
<td>Finance business partners</td>
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<td></td>
<td>Strategy Director</td>
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<td></td>
<td>Corporate Development Officer</td>
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<tr>
<td>3. Leading key initiatives in finance that support overall strategic goals</td>
<td>Chief Executive Officer</td>
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<td></td>
<td>Business unit heads</td>
</tr>
<tr>
<td></td>
<td>Heads of key support functions: IT, Marketing, Risk, Operations, HR</td>
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<td></td>
<td>Senior finance managers</td>
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<td></td>
<td>Business unit finance teams</td>
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<td>4. Funding, enabling and executing strategy set by Chief Executive Officer</td>
<td>Chief Executive Officer/Chief Operating Officer</td>
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<tr>
<td></td>
<td>Business unit heads</td>
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<td></td>
<td>Risk Director</td>
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<td></td>
<td>Operations Director</td>
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<td></td>
<td>Treasurer</td>
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<tr>
<td>5. Developing and defining the overall strategy for the organisation</td>
<td>Chief Executive Officer</td>
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<td></td>
<td>Chief Operating Officer</td>
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<tr>
<td></td>
<td>Business unit heads</td>
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<td>Chief Information Officer</td>
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<td>Risk Director</td>
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<td>Marketing Director</td>
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<td>HR Director</td>
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<td></td>
<td>Strategy Director</td>
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<tr>
<td></td>
<td>Corporate Development Officer</td>
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<tr>
<td>6. Representing the organisation’s progress on strategic goals to external stakeholders</td>
<td>Chief Executive Officer</td>
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<td></td>
<td>Chairperson</td>
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<td></td>
<td>Executive and non-executive boards</td>
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<td>Other key governance committees e.g., audit, remuneration</td>
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Table 1 was derived from a study of 669 senior finance professionals from Europe, the Middle East, India and Africa, with 83% being from organisations with revenue greater than US$100 million. As the respondents came from large organisations, the number of different directors within their organisations was greater than the number that would be found in smaller organisations, where individuals may have a larger number of responsibilities. Relationship with the chief executive officer (CEO) was common to all six roles, while interaction with business unit heads related to five roles. Relationships with the heads of key support functions related to three roles.

Another study (IBM, 2013) found that holding the position of a CFO influenced the incumbent’s topics of communication and in turn their communication partners. For instance, following the financial downturn, CFOs more frequently engaged in conversations about risk management, forecasts, profitability and strategic decisions relating to supply chains, production and pricing. There has been some debate about the increases in CFOs’ involvement.
in strategy (Fabich, Firnkorn, Hommel, & Schellenberg, 2012; Hiebl, 2013). Changes in the roles of accountants may lead to changes in their communication partners.

The roles of financial controller (FC) are closely linked with those of the CFO. The FC is often designated as the second most senior accountant within an organisation; the roles being seen as quite diverse because they encompass “many of the tasks often associated with both management and financial accounting” (Graham, Davey-Evans, & Toon, 2012, p. 71). In a study of controllers within large Italian industrial firms, most of the controllers showed some involvement in management decision-making processes (Zoni & Merchant, 2007). A UK survey found that producing accounting figures and ascertaining their validity and reliability continues to occupy a significant proportion of FCs’ time (Graham et al., 2012). FCs have been described as undertaking four roles: a commentator, explaining what the accounting numbers mean; a business partner, focusing on value creation; a scorekeeper, focusing on bookkeeping; and a custodian, focusing on governance (Ernst & Young, 2008). These roles would be expected to influence those with whom FCs communicate.

Discussions concerning accountants’ involvement in strategy have considered not only CFOs and FCs, but also management accountants. It has been stated that “top level management accountants are now emerging as members of the most important business decision-making groups guiding major organisational, operational and strategic choices” (Sorensen, 2009, p. 1271). However, relationships between operational managers and management accountants cannot be assumed to be peaceful, settled and relaxed (Morales & Lambert, 2013). Participation in meetings provides an avenue for accountants to access information and indicates socialisation with and recognition by operational managers. The positioning of accountants within organisational structures also has the potential to influence their networks. Whilst one Finnish study found that the decentralisation of management accounting led to accountants’ frequent involvement in cross-functional cooperation (Järvenpää, 2007), another Finnish study discovered that although management accountants worked in central locations, their participation in cross-functional teams had increased (Malmi, Seppala, & Rantanen, 2001).

The accountants interviewed in the current study worked within NFP organisations and it is acknowledged that such organisations exhibit some unique characteristics (Hudson, 2009). There are only a small number of studies touching on aspects of those with whom accountants communicate within NFP organisations. Hiebl and Feldbauer-Durstmüller’s (2014) study of the cellarer (a similar role to a CFO within a corporation) at a Benedictine Abbey found a climate of consensus that led to significant communication among organisational members. The use of budgets and performance measures to provide a platform for dialogue between accountants and other organisational members has met with varied responses within NFP organisations. Performance measures help “to provide a fertile arena for productive dialogue and discussion between individuals and groups with differing values” at an international NFP that coordinated volunteers with projects (Chenhall, Hall, & Smith, 2013, p. 282). However, attempts to make performance measurement more interactive were not successful and potentially harmed staff relationships at an NFP service provider to disadvantaged people (Chenhall, Hall, & Smith, 2010). Communication skills, sympathy and bravery were the key strengths identified to elevate accountants’ credibility among their peers during interactions at charities’ strategic planning exercises (Taylor, 2013). Furthermore, being supportive and enabling, along with demonstrating an understanding of and commitment to the organisational mission, helped accountants to gain the confidence and trust of their colleagues (Taylor, 2013). While it is increasingly suggested that sector boundaries are losing their importance and will continue to erode (Child, Witesman, & Spencer, 2016; Stecker, 2014), this paper recognises and notes that some aspects of accountants’ networks may be influenced by sector distinctions. While the importance of communication for accountants has been well documented,
accountants and their networks have received scant attention. Owing to the paucity of research regarding accountants’ networks, this literature review is supplemented by a brief overview of organisational networks research along with its possible applications to accountants.

2.2 Organisational networks

Organisations have been able to gain long-term competitive advantages through encouraging information sharing (Barua, Ravindran, & Whinston, 2007; Wagner, 2006). Social networks and trust are two of the significant factors identified as influencing communication and information flows (Yang & Maxwell, 2011). Networks have been described as comprising actors or nodes with a set of specified ties that connect them, such as friendships (Borgatti & Halgin, 2011). Two well-known network theories are Granovetter’s (1973) strength of weak ties and Burt’s (1992) structural holes (Borgatti & Halgin, 2011).

Regarding the strength of weak ties, the stronger the tie between two people the more likely that their social worlds will share commonalities and they will have ties with the same people. Ties are strengthened through the amount of time people spend together, emotional intensity and reciprocity of services, as well as mutual confiding (Granovetter, 1973). It is unlikely that strong ties will generate sources of novel information because the information is known within the group. At group level there will be strong cohesion. Accountants working together in the same department might be expected to share a high degree of common information (Chapman 1998). When ties are weak (people are loosely associated) at a global level there may be strong cohesion, as many people know many other people (Granovetter, 1973). Burt (1992) outlined structural holes by considering the clouds of nodes that surround a given node. Structural holes occur in networks when groups of people are focused on their own activities and do not get involved in the activities of other groups. For example, low dialogue between the accountants and operational staff was seen in the low uncertainty organisations of Chapman’s (1998) study. The person that is connected to different groups via knowing one person in each group has a competitive advantage, as they are more likely to receive non-redundant information. A person’s position within a network provides access to resources (Borgatti & Halgin, 2011). The extent and strength of network ties have also been found to be related to affective organisational commitment (Bozionelos, 2008).

There is considerable agreement among practitioners and researchers that organisational members rely on both formal and informal networks in order to achieve their goals (Rank, 2008). Formal networks comprise an organisation’s official hierarchy – that is, the “structures and rules allocating formal roles and positions at different levels” (Diefenbach & Sillince, 2011, p. 1517). Informal networks are seen in the “person-dependent social relationships of dominance and subordination which emerge from social interaction and become persistent over time through repeated social processes (especially routine behaviour)” (Diefenbach & Sillince, 2011, p. 1517). Eckenhofer and Ershova (2011) observe that informal networks arise through a variety of means such as projects, lunch meetings and private interests. Trust, power and member characteristics are key factors of influence in networks. Tucker and Parker’s (2013) study of strategy in NFPs observed extensive informal discussion which may be indicative of informal networks. Research has indicated that often formal horizontal ties are disregarded, but that, owing to the flow of reporting, only a minor proportion of vertical ties are not used (Rank, 2008). Krackhardt and Hanson (1993, p. 104) summarise the importance of understanding informal networks: “If the formal organization is the skeleton of a company, the informal is the central nervous system driving the collective thought processes, actions, and reactions of its business units.”
Five roles for players in informal networks have been identified: central connectors, boundary spanners, gatekeepers, bridges and experts (Awazu, 2004). Central connectors possess superior local knowledge and are a frequent point of contact for organisational members. They can connect knowledge-seekers to people with sources of knowledge. Boundary spanners form a conduit between networks (spanning structural holes). They constantly seek to increase their knowledge and their expertise is not limited to their functional responsibilities (Cross & Prusak, 2002). Irvine et al. (2016) found NFP accountants went beyond their formal roles and drove organisational performance and contributed to business development more than for-profit accountants. Gatekeepers control the knowledge that enters or leaves a network. Bridges form a connection between people whose backgrounds, skills or experiences differ. Bridges are particularly helpful as they can ease the conflicts that occur when individuals do not share mutual knowledge that can aid in understanding one another’s point of view (Awazu, 2004). Accountants with their technical expertise, need to translate accounting information to make it accessible to users (Burns & Baldvinsdottir, 2007). Experts have high levels of knowledge about certain products, topics or processes (Cross & Prusak, 2002). They are often long-standing employees who “excel in learning from experience, as well as identifying, extracting and providing important knowledge to others in an easy-to-understand manner” (Awazu, 2004, p. 65).

3. Strong structuration theory

Giddens’ (1984) structuration theory addresses the cyclical relationship between human action and social structure. Structures are created and reproduced through group members’ everyday interactions (Papa, Daniels, & Spiker, 2008). As the routines of how people act and interact become institutionalised over time, they lead to an organisation’s structural properties (Orlikowski, 1992). Agents are empowered by structures, while their behaviour either reaffirms or alters those structures. Giddens uses the term duality of structure to explain that structure is both the medium and the outcome of social interactions. Participation in social relationships results in the continual production and reproduction of a social system by its members (Giddens, 1982).

Stones observes that relationships among agents and the significance of external pressures are underdeveloped in Giddens’ work (Coad & Herbert, 2009). Stones (2005) sees merit in defending structuration theory. He coined the phrase strong structuration to describe his attempts to develop concepts that form a bridge (Stones & Jack, 2016) between the philosophical and the substantive. Stones (2005, p. 75) breaks down the duality of structure into four analytically distinguishable components, which he labels the quadripartite nature of structuration. The four components are external structures, internal structures, active agency/agent’s practices and outcomes of actions. The components and their related sub-components are shown in Table 2.
Table 2: Stones’ concepts from the quadripartite nature of structuration (compiled from Stones, 2005, pp. 84-85)

<table>
<thead>
<tr>
<th>Concept</th>
<th>Sub-concepts</th>
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<tbody>
<tr>
<td><strong>External Structure:</strong></td>
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<tr>
<td>independent courses and pressing conditions that limit agents’ freedom (or provide opportunities)</td>
<td>Independent causal influences: autonomous forces that agents do not have the capacity to influence (e.g., the legal system)</td>
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<tr>
<td></td>
<td>Irresistible causal forces: agents believe that they cannot resist the influence, even though it may be within their capacity to do so (e.g., company policy)</td>
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<tr>
<td><strong>Internal Structure:</strong></td>
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<tr>
<td></td>
<td>General-disposition: world views, cultural schemas, people and networks, habits of speech and gestures</td>
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<td></td>
<td>Conjuncturally-specific knowledge: knowledge concerning a specific context, such as a role or a position</td>
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<tr>
<td><strong>Active agency/agent’s practices:</strong></td>
<td>the ways in which agents draw on their internal structures either in a routine, automatic way or strategically and critically</td>
</tr>
<tr>
<td><strong>Outcomes of actions:</strong></td>
<td>outcomes may affect internal or external structures and result in structures being reproduced or changed</td>
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</table>

The study of position-practices brings external structures into view, as external structures “are mediated largely through position-practices” (Greenhalgh & Stones, 2010, p. 1288). Hatala and Lutta (2009) observe that understanding the ways in which individuals behave requires knowledge of the contexts in which individuals and groups function. Furthermore, insights into the “relational forces at play and the network structures within organisations” are needed for individuals to form working alliances (Hatala & Lutta, 2009, p. 14). These relational forces are seen in the external structures that limit or facilitate action and interaction. Individuals’ behaviour is displayed through active agency. The differentiation of internal structures between general-dispositions and conjuncturally-specific knowledge provides a framework for exploring agents’ thought processes. General-dispositions, expressed as values and beliefs, drive who comprises the accountants’ networks and how those networks are developed. Furthermore, analysis of conjuncturally-specific knowledge provides an insight into an agent-in-focus’s understanding of the relational forces within specific contexts.

Researchers using structuration theory in interpretative accounting research have tended to concentrate on the analysis of the institutional and structural aspects of structuration theory, rather than on the actions of agents in structuration processes (Englund & Gerdin, 2011; Roberts, 2014). With strong structuration theory, Stones provides a framework for analysis which focuses on the knowledge of the agent and how the agent’s internal analysis leads to actions that in turn produce or reproduce social structure (Coad, Jack, & Kholeif, 2016; Stones & Jack, 2016). The concepts of agents’ conduct analysis and agents’ context analysis in strong structuration theory are developments of Giddens’ (1984) concept of strategic context analysis, which was his counterpoint to institutional analysis. His guidance on using structuration theory in analysis was to employ methodological bracketing, in which the researcher either evaluated
structures using institutional analysis or evaluated agency using strategic conduct analysis. However, the latter was less well elucidated, as Giddens’ focus was on ontology rather than on epistemology. Conduct analysis required a hermeneutical understanding of agents’ knowledge, motivation and intentions. as this lack of epistemological clarity that Stones (2005, 2015) addresses in strong structuration theory by synthesising critiques of Giddens’ work since the mid-1980s.

There is a further tendency within strong structuration theory to make the quadripartite nature of a structuration framework the centre of an analysis and to classify data against the four elements. However, this approach misses the essential point of the framework, which is its depiction of a process in which the key element is active agency. It is conduct that we need to analyse where an agent occupies a particular position with its related practices. They act in ways that are informed by their own analysis of the contexts in which they find themselves. That is, they draw on their understanding of the external and internal structures of their own position, and of the positions of others. Different actions require more or less contextualised analysis. A routine task might be done ‘without thinking’, but nonetheless its outcome is a reproduction of structures that have been assimilated and taken-for-granted at an earlier stage. The more complex actions and outcomes relate to strategic thinking and intention, where structures may remain unchanged or where actors might choose to do things differently. The role of the researcher is to understand the context analysis of the agents in focus, and their understanding of the conduct and context of other agents (Stones, 2005; 2015; Stones & Jack, 2016).

We examine strategic actions on the part of agents who occupy leadership roles in accounting within NFP organisations. They build networks with the aim of increasing the financial awareness and literacy of their co-workers. In doing so, they hope to increase the situationally specific knowledge of their co-workers in ways that will lead to different actions that in turn will create enduring structures beneficial to the organisation and/or to themselves. This examination of accountants’ conduct first requires analysis of what active agency means in this context and second, what the outcomes mean for the external and internal structures of the agent-in-focus including how they perceive their ability to influence the position-practices of others.

Agency and action have different meanings. A person might perform an action – speak, write, calculate, for example – and we could observe and record those actions with the intention of looking for patterns and behaviours. Agency implies rather more, which is the intention to have an effect on others. Active agency is the performing of an act with the intention of having an effect. An accountant may write a report, but when we are analysing active agency we are interested in not simply that ‘a report was written’ but also in the active choice of language used by the accountant, the selection of format for effect, and the visualisation of the audience that the accountant has and its impact on the agent’s own context analysis (Jack, 2016; Stones, 2005; 2015). The idea that we begin to explore here is that accounting communication is designed to influence the actions (and inactions) of others. It is persuasive by nature and we link this to strong structuration theory by viewing active agency as acts of communication by our agents-in-focus (Jack, 2013; Coad et al, 2016). Thus, active agency was analysed around the notions of ‘building a network’ and ‘using persuasive communication’, as well as around the motivation and strategic planning of the agent(s)-in-focus. Our understanding of ‘persuasive communication’ is taken from Stiff and Mongeau (2016). They use the definition of “any message that is intended to shape, reinforce, or change the responses of another, or others”. Additionally, they limit the definition to intentional behaviour, recognising that “all communication is, by its very nature, persuasive” and unintentional actions might also affect others’ responses (pp. 4-5).
The outcomes of agency can be evaluated in terms of the extent to which the agents-in-focus carried out their context analysis of their own external and internal structures in ways that led to actions that produced their intended outcomes for themselves or others. It is also an evaluation of the ways in which the structures of others are changed by the actions of our agents-in-focus. Because these processes are ongoing, the researcher and the agents-in-focus need to evaluate ‘what next’ scenarios and the effects of unintended consequences. The underlying question is whether the active agency of accountants can change the ways in which others understand their own situational contexts, and so enable or compel them to act differently. To what extent does this active agency include accounting tasks and persuasive communications about accounting? To what extent does it require accountants to engage in other actions to achieve their strategic aims? Also, to what extent are our ‘accountants-in-focus’, so to speak, enabled and constrained by external and internal structures, and to what extent are they able to enable and constrain others through how they act?

The value of Stones’ (2005, 2015) approach to empirical analysis lies in its focus on agents, their knowledge and the status that they accord to that knowledge when they act (Stones & Jack, 2016). There have been a number of calls in the literature for studies that focus more on the professional lives of working accountants (Cooper & Robson, 2006; Hopwood, 2008, for example). Such a focus also ties in with calls to use structuration theory and other social theories and methodologies to understand the role of agency within institutional practices (Englund & Gerdin, 2011). Strong structuration theory guides researchers to design data collection and analysis in ways that unpack the nuances of practice within the context of other agents and structures.

4. Research Approach

Thirty accountants, from three Australian states, were purposefully identified and selected to ensure that they had the relevant experience so that their reflections could provide evidence about the above research objectives. All interviewees had been with their organisations more than 18 months and most held senior positions. The individual accountants were viewed as being the agents-in-focus as outlined in strong structuration theory (Stones, 2005). Ethics approval for the project was obtained from the University of South Australia and all participants signed a written consent to be interviewed and to have their interviews recorded. Semi-structured interviews were undertaken owing to their flexibility, as they enable interviewers to have a “depth of exploration”. They also maximise “the potential for interactive opportunities between the researcher and respondents” (Fielden & Hunt, 2011, p. 349).

Some questions were aimed specifically at understanding the accountants’ communication partners and the development of their networks. Other questions enabled the identification of various aspects of strong structuration theory. Various questions facilitated responses concerning both information about networks and themes from strong structuration theory. The interviewees were encouraged to explain and provide examples that built on their previous statements. To explore the composition of accountants’ networks and the importance that they attached to developing relationships within their organisations, the participants were asked to talk about what their current role involved and the key people/groups with whom they spent the majority of their time communicating. Networks were viewed from the accountants’ perspectives and this followed Coad and Glyptis’ (2014, p. 151) belief that a position-practice perspective may be undertaken “from any one position in the network”. Discussion of role also led to the accountants explaining how they established and strengthened their networks.

General-dispositions were explored through discussions centring on the accountants’ perceptions of how their values and beliefs influenced the ways in which they communicated.
The accountants’ application of their conjuncturally-specific knowledge was addressed through discussions about how their communication changed when they were interacting with different groups. In relation to factors that influenced the composition and development of the accountants’ networks, and to identify enabling and constraining external structures, the accountants were asked about the factors that helped them to communicate freely and openly and the factors that inhibited or limited that communication. The outcomes of active agency were gleaned at various points throughout the interviews. The interview questions were pre-tested with several NFP organisations’ accountants prior to commencing the formal interviews. The questions were also reviewed by two senior accounting academics. Participants were interviewed primarily at their workplaces to facilitate the penetration and capture of multiple constructed realities (Parker, 2008).

Creswell (2014, p. 191) outlines several limitations of interviews in qualitative research: indirect information is filtered through the views of the interviewees; information is gathered at a designated place rather than in a natural field setting; the researcher’s presence may bias the responses; and not all people are equally articulate and perceptive. Several procedures during the development and undertaking of the interviews were designed to minimise these limitations. The use of an interview schedule helped to ensure that all interviewees were treated similarly. The accountancy experience of the researcher eased the perception of power differences between the interviewees and the interviewer. Asking the interviewees to expand upon their answers and to provide examples aided in ensuring that the interviewees had the maximum opportunities to articulate their views.

Most of the interviewees’ organisations participated in activities across a number of sectors. Twenty-six organisations undertook education/research, 20 were involved in social services, 17 had health activities and 16 had some religious interests. The predominance of educationally-related activities arose because many of the social services organisations also had training and educational endeavours, as did many of the religious organisations. One third of the participants were female. Further participant and organisational details are shown in Table 3.

### Table 3: Participant and organisational details

<table>
<thead>
<tr>
<th>Participant’s organisational position</th>
<th>Most senior accountant - chief financial officer (CFO)</th>
<th>Second most senior accountant - financial controller (FC)</th>
<th>Other accountant (OA) includes management accountant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of participants</td>
<td>15</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Participant’s years with organisation</td>
<td>1-5 years</td>
<td>6-10 years</td>
<td>&gt;10 years</td>
</tr>
<tr>
<td>Number of participants</td>
<td>13</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Organisational size based on equivalent number of full-time employees</td>
<td>&lt;500</td>
<td>501 to &lt;1000</td>
<td>&gt;1000</td>
</tr>
<tr>
<td>Number of participants</td>
<td>17</td>
<td>5</td>
<td>8</td>
</tr>
</tbody>
</table>
Thematic analysis allowed the research to focus on key issues. The purpose is not to generalise but rather to understand the complexity of the issues for each participant (Creswell, 2007, p. 75). An immersion approach to thematic analysis, similar to that employed by Killian (2010), was adopted. After transcribing the interviews, the interviews were replayed and re-read several times and major themes were mapped. Several features of thematic analysis made it particularly appropriate for the current study. It enabled the summarising of the key features of a dataset. Additionally, unanticipated insights were generated (Braun & Clarke, 2006). Thematic analysis provided an approach to organise the interview data to permit analysis (King & Horrocks, 2010) and to facilitate the comparison between participants’ responses. Strong structuration theory (Stones, 2005) was used as a frame of reference during the writing of the discussion and conclusion to enrich the understanding of the findings and analysis.

5. Findings

The findings are presented to address each of the four research objectives in turn. Additionally, the findings also show how position-practices were consolidated and the knowledge that the accountants drew on in their conduct and context analyses. Illustrative quotations were attributed to the accountants by way of pseudonyms. A numbering system of A1 to A30 was used to distinguish the quotations attributable to the different interviewees. For quotations that were possibly sensitive or for short general phrases, pseudonyms were not used.

5.1 The importance that the accountants attached to networks

Numerous statements by the accountants illustrated the importance of relationships. The pivotal role that CFOs played was succinctly stated by A14, “Most of my functional role is a connection point between the business and its deliverables and the executive, board or department and their expectations”. The interviewees viewed building relationships as being an important factor for success and as being linked with effective communication. As A29 observed, “If we’re going to succeed, then there’s a need to build the right relationships if you’re going to be able to communicate effectively”. Without “good collegial relationships with individuals … the communication channels will shut down” (A10). Developing good relationships was also related to openness and trust. A23 explained that as relationships developed people “feel that they can ask a question, rather than criticise [something] … if it’s wrong”. Additionally, the interviewees contended that developing relationships was part of the accountant’s role as A6’s comments showed:

My role also, I think, is very relational: building relationships with all the different stakeholders. But it’s a fine line … because you’ve got the tyranny of time; you can’t be all things to everybody.

The interviewees’ statements illustrated Stones’ (2005) concept of the positional, when they referred to relationships as being part of their role; that is, relationship-building was a position-practice that the accountants understood as being ‘part of the job’. Furthermore, while the accountants’ statements about the importance of networks tended to display dispositional characteristics, aspects of conjuncturally-specific knowledge were also seen. For instance, A28 linked the importance of relationships to knowledge of the NFP sector:

If you don’t have successful relationships it doesn’t matter, you can bring the most wise, best practice, whatever, and it won’t get you anywhere if you’re not maintaining relationships. It’s all about relationships in not-for-profits.
5.2 Accountants’ primary network partners

CFOs had considerable interactions with both the board and senior management, whereas FCs were not usually directly involved with the board. An accountant’s position, and the associated level of seniority, influenced with whom they communicated. For this reason, the findings for the accountants’ networks were addressed for each group of accountants (CFO, FC and OA).

5.2.1 CFOs’ networks

The diversity of people with whom the CFOs communicated was seen in A2’s remarks:

I’m speaking with everyone. I’m speaking with the HR Manager quite a lot … I am speaking with the fund raising people. So pretty much everyone internally in this office.

However, the CFOs’ main communication groups clustered around six categories: the board and board sub-committees, executives, management, the finance team and non-finance subordinates.

Owing to the CFOs’ involvement with their boards, they were also members of board sub-committees. The executives were often viewed as being the CFOs’ peers. The executives comprised people who reported directly to the CEOs. Usually a CEO led the executive team. CFOs spent a considerable amount of time communicating with their CEOs. For example, A24 stated, “You work hand-in-glove with the CEO and … you become a watchdog for the CEO as much as for the board and your peers, the executive”. In several of the large organisations, a distinction was made between the executive managers and the senior management. The executive managers included the CFO and each executive manager had a number of senior managers who reported to them. This structure led to both executive management meetings and senior management meetings. The latter included both the executive and senior management. In these large organisations, the CFOs communicated with both the executives and the senior managers.

Managers comprised another group with whom the CFOs regularly communicated. Managers here may be distinguished from the executive members and the senior managers described above. Managers were also termed ‘budget holders’ or ‘business unit managers’. These people often had operational roles that included overseeing the running of programmes. In a number of cases, several non-financial people, in addition to the FC, reported directly to the CFO. These people were heads of areas such as information technology, payroll and property. CFOs also regularly communicated with members of the finance team.

5.2.2 FCs’ networks

Like the CFOs, two key groups with whom the FCs communicated were managers as well as finance team members. In some larger organisations, portfolio accountants reported directly to managers and, owing to the financial information support that they received, those managers did not need to interact often with the FC. The FCs also had considerable communication with the CFO. As discussed, the CFO was in regular communication with the CEO, while generally the FC did not have so much direct contact with the CEO. However, in smaller organisations, while FCs continued to have contact with the CFO, they also had increased contact with the CEO. Two FCs, both working with religious organisations, mentioned communicating with volunteer church treasurers. For one of these FCs, there was also communication with clergy.

The FCs did not limit themselves regarding the groups with whom they communicated. A21 commented, “...it could be anyone. You know, I don’t have that sort of ‘I only speak to …’”. The number of managers with whom an FC potentially communicated varied among the participants. In one research and educational organisation, there were 80 managers with their
own budgets. In one social services organisation, there were three accounting managers reporting directly to the FC. In addition, the FC communicated with 30 managers. These were managers of service departments (such as information technology, human resources and payroll) or managers of programmes. Several of the FCs mentioned that they communicated with human resources or payroll. For another FC, there were eight budget holders with whom they communicated. Another FC communicated with six department heads. In one large organisation, some accounting staff members reported directly to operational managers while nevertheless maintaining communication with the FC. One FC contrasted their current role with a prior corporate role, and noted that they “didn’t have as many stakeholders in terms of programme managers or people with a budget” (A25).

5.2.3 Other accountants’ networks

Owing to the variety of roles that the OAs performed, their networks differed. An OA who worked at a school reflected that parents were a significant communication party:

I’d have a bit of contact with teachers, contact with the delivery boys, contact with my staff, contact with the finance committee members, and contact with other members of meetings and committees. There’s a lot of different people that I talk to, but probably the most would be your parents. (A8)

An OA who was a management accountant stated that they interacted with 25 team leaders and six general managers. They further commented that “during the budget season I communicate daily with everyone” (A12). Another OA noted that, along with communicating with other finance staff, they also worked closely with several operational managers.

Figures 1 and 2 below provide illustrations of CFOs’ and FCs’ prominent communication partners.

![Diagram of CFOs’ main internal communication networks](image)

**Figure 1: CFOs’ main internal communication networks**
5.3 Strategies that accountants adopted to influence the formation and maintenance of their networks

Several participants gave advice about strategies for building relationships. One CFO (A14) found that establishing a football tipping competition⁴ promoted relationship-building. In fact, that CFO had organised such competitions in several of their previous workplaces (indicating that these activities may be attributed to the dispositional). The rationale was:

It causes conversation on Monday morning. It causes conversation on Friday afternoon. It causes people of different walks of life to find a common element and talk about it. It creates relationships.

Many of the participants’ organisations appeared to create opportunities for communication. These situations could be described as enabling external structures. There were regular morning teas and opportunities to gather together. Other strategies for building relationships by way of communication included being proactive, as A29 advised, “Don’t sit back and wait for people to come to you”. The need for getting out of the office, which came from the accountants’ conjuncturally-specific knowledge of organisational members, was seen in one CFO’s comments:

Not many people walk past my door and stick their head in and just have a chat. I don’t have that role. It’s regrettable and I wish more people did, but I don’t have the role where people walk in here and chew the fat with me. For me to engage with people I go to them. This is the scary office. People don’t come here for a chat unless they have to. (A14)

The above comments illustrate how the accountants’ conjuncturally-specific knowledge of others influences the accountants’ expectations of their role (the positional).

Face-to-face contact was another ingredient in building relationships. Additionally, the choice of communication style either assisted or hindered the building of relationships. For example, A15 declared that one would “never want to be abrupt”. It was also necessary to “pitch” the
conversation so as to be understood by other parties to the conversation. In other words, the CFOs were reflecting on how best to make their communications persuasive. Another CFO (A7) observed that the three divisional heads of the three operating divisions in their organisation did not report directly to them. However, the CFO said that they had:

… much more influence over them [the three divisional heads] through my relationship with them than through my authority. And that’s really what the whole communication issue boils down to.

The accountants’ development of networks was seen to yield positive outcomes, as A7 concluded, “If you don’t have a good relationship, it feels like a police role … as opposed to a role where you’re working together to produce a better outcome for the future”.

5.4 How the accountants used networks to influence and develop their organisations

The following analysis considers how the accountants developed the networks that they built up in order to influence the way in which financial matters were understood and discussed with them by the others in the network. Drawing on their own internal structures (knowledge of themselves and their situations), they perceived they were able to alter the conjuncturally-specific knowledge of others by increasing levels of financial awareness and astuteness among colleagues. The accountants noticed their words and actions appeared to change practices as staff members routinely came to them to impart information and to ask questions. In this way, the accountants were able to consolidate their own position-practices through the networks created. They subtly altered the structures of their organisations through their active agency based on conduct and context analyses, similar to the process described by Stones (2015) in his analysis of political negotiations.

The accountants purposefully sought to bring changes to their organisations. For example, A24 commented about shaping organisational culture, saying “It’s trying to bring a culture of accountability into an organisation that’s not naturally financially accountable”. Through the fostering of networks and their choice of persuasive communication, the accountants influenced organisational culture, as A3 stated:

The way I prefer to communicate is face-to-face, talk to somebody … Given that a lot of my role is about creating the culture and picking up what are the issues, sending written reports in emails is not a good way of communicating culture.

The accountants were proactive in fostering relationships within their organisations. In many of the interviewees’ organisations, particularly those whose predominant activities were religious or social services, both formal and informal opportunities were created for staff interaction. Interactions occurred at morning teas and other regular gatherings. Face-to-face communication was seen as an effective strategy for building relationships.

5.5 Evidence of how position-practices were consolidated

The positional relates to “the notion of a role or position that has embedded in it various rules and normative expectations” (Stones, 2005, p. 89). Stones (2005) notes that, while agents were appointed to positions, it was their individual actions that determined the extent to which those positions were reproduced. The various roles perceived by the accountants led them to communicate about a variety of topics with a diversity of people in their organisations. Roles identified included support, strategy, managing and reporting. Supporting the organisation was a common role perception shared by the interviewees. The following quotations illustrate various people with whom the accountants interacted through their supporting role:

It’s our responsibility to support the board in any of its deliberations. (A14)
Finance’s role is to facilitate an equitable budget process to try to help the accountability and then help people. (A24)

My philosophy here is that we’re there to support the manager of the business. (A2)

[There is] a sense of collegiality amongst the senior executive, given we’re effectively in a support role. (A7)

The CFOs in the current study commented on their involvement in strategy. The following quotations demonstrate the array of people with whom the CFOs interacted owing to their strategic role:

As an executive member, I guess I’m taking the lead on articulating and ensuring the executive have a very sound understanding of the financial risks associated with the organisation and the strategies associated with dealing with those financial risks. (A26)

Sometimes I get questions in relation to that strategic thinking and strategic directions from the managers as a consequence of them getting those minutes [of the leadership meeting]. (A27)

I’ll get involved in any strategy … so it might be meeting with somebody to talk through a strategy or forming a strategy. (A28)

Another role for the accountants was the managing role. In this role, the accountant’s team formed part of their closest network:

The key things that I do are to manage and develop a team of managers so that they can do their jobs. (A27)

It’s managing payroll. It’s managing accounts payable, managing the disbursements. (A29)

My role currently involves supervision of the department, the Finance Department here, which includes an accountant, a grants accountant and five clerical staff. (A17)

The role of reporting influenced the parties with whom the accountants communicated. Some examples of reporting and those with whom the accountants communicated are provided here:

… a monthly financial report and then a series of ad hoc reports predominantly to my peers, but on occasion to the board. (A3)

So we have more detailed reports for our board, for our financial executive team. (A12)

[Preparation of budgets requires discussion and] sitting down with executives and heads of departments. (A20)

We do the exec reports and the board reports, essentially. Eight for the board and nine for the exec committee, and we do P&Ls to all our cost centres, so we’ve got about 32 cost centres that we do. Then we do ad hoc reports to anyone who may be interested. (A21)

For the CFOs, persuasive communication with the board arose mainly through their production of reports to the board and their attendance at board meetings. In addition to communicating with members of the board, many CFOs also communicated with others within their organisations through their attendance at and reporting to board sub-committees, such as finance or audit committees. FCs were active in preparing reports for managers, which resulted in extensive communication. These formal lines of reporting provided external structures that delineated not only the accountants’ communication partners but also topics of communication. A29 demonstrated the link between relationships and reporting, stating that there was a need for accountants to “build a relationship with the stakeholders” in order to understand that reporting was meeting users’ requirements. Budget meetings provided a venue for both the
preparation and review of budgets. They also facilitated the accountants’ building of relationships with other staff members; as everything was not resolved in one meeting, further meetings were required to finalise the documentation.

The above analysis has considered role perceptions from the viewpoint of the accountants. However, the way in which other organisational members viewed the role of the accountant (the other members’ conjuncturally-specific knowledge) would be expected to impact on their interactions with that accountant. Some CFOs’ perceived that people specifically sought them out about important issues, because they saw the CFO as being someone who would take action and get things done. Furthermore, A28 observed that “A lot of people will come about anything that’s potentially business- or finance-related”.

5.6 The knowledge that the accountants drew on in conduct and context analyses

The general-dispositional knowledge drawn upon became evident as the accountants alluded to their philosophies, values and beliefs. While there were aspects of personal philosophies that were as individual as the accountants themselves, nevertheless during the course of the interviews the values of honesty, integrity and transparency were often mentioned by many of the accountants. For example, A6 stated that “I have a very firm policy of being open … [and] honest”. These general-dispositional traits flowed into the way that the accountants went about building their networks. Linked to openness was being approachable. Several of the accountants mentioned their practice of getting out of their offices and speaking with staff members; they also spoke about having an ‘open door policy’. A15 explained approachability by saying:

[W]hen somebody comes unexpectedly … how you respond to them. Even though you may be in the middle of thinking hard about something, or you’re under time-pressure, I still think it is important just to pause for a moment and just respond to them appropriately.

Openness went beyond individual accountants being willing to share and be transparent to “being open to that input from others” (A26). Seeking feedback from others enabled one to “manage more effectively and fairly” (A8). Being “non-judgemental and patient and understanding” (A5) also enhanced approachability.

Agents also drew on their “conjuncturally-specific knowledge of networked others” (Stones, 2005, p. 93) to inform their actions. This knowledge included information about those who may be absent from any particular interaction yet may be impacted on by an agent’s action. Networked others can be seen as being an external structure to the accountants that consisted of the internal structures of other agents. In context analysis, accountants were assessing the internal structures of others and what the conduct of these other agents might be, and what they would like it to be. This information influenced the accountants’ conduct or choice of action.

Within agents-in-focus networks, their use of conjuncturally-specific knowledge may be seen in the three modalities of structuration. First, regarding interpretive schemes, agents-in-focus had knowledge of other agents and how those agents may have interpreted what others did and said. Those expectations were based upon interpreting what others have said and done in past situations, which involved being both backward- and forward-looking when making decisions about acting (Stones, 2005). A7 explained that trying to understand others and tailoring the answer to their circumstances avoided “a lot of frustration”, encouraged people to “seek your opinion” and resulted in increased levels of communication. A14 also demonstrated conjuncturally-specific knowledge of users and factors that affected their interpretative schemes:
Each stakeholder group has a different interest in numbers … Each different group is full of people with different backgrounds and different roles and different responsibilities; the conversation has different content, [and also] the language is different.

Second, concerning power, agents considered both whom they themselves relied upon for power resources and the power that others commanded (Stones, 2005). The current study showed that the individuals and groups with whom accountants communicated varied to some extent because of the positions that the accountants held within their organisations. CFOs were members of the senior management team and in regular communication with the CEO and the executive managers. The CFOs viewed members of the executive as being their peers. In smaller organisations, the FC generally had greater contact with the CEO compared with FCs in larger organisations. The accountants’ authority arose in part from their organisational positions, as they became involved in advisory discussions and people became aware of their expertise, this increased their authority.

Third, with regard to norms, agents had conjuncturally-specific knowledge of how other agents “would be likely to decide to behave”. This knowledge was “gleaned from their perception” of another agent’s “ideal normative beliefs about how they should act and how they may be pressured to act” (Stones, 2005, p. 92). Other agents will consider their relationship with the agents-in-focus as well as their own perceptions of the agents-in-focus’s power when deciding whether to act on their ideals or take a pragmatic approach (Stones, 2005). The accountants’ perceptions of networked others may be either empowering or constraining. One CFO articulated that they were asked many questions because they were “happy to answer a lot of questions”. They explained further that other staff would stop asking questions if they just focused on “bean counting”. These comments illustrated CFOs’ perceptions of other organisational members’ behaviour. Furthermore, A11 suggested that listening was key to gaining the (conjuncturally-specific) knowledge of others:

Be prepared to listen and try to see their point of view when they seem to be not going in a direction that you’re going in. I think you have to ask the question, ‘Why are they wanting to go that way?’ or ‘Why are they seeing things differently to the way we are seeing things?’ Sometimes there’s a good reason; sometimes it’s a matter of communicating an alternative point of view.

Conjuncturally-specific knowledge assists in determining the persuasive communication that might be used. Such knowledge involves “having that sense of how people work”. A2 provided an example:

I think it’s also about understanding the person as well … There are people who you know that you’ll try and ring them and if they’re not there and you leave a message but they’ll never get back to you. Or you’ll email them and you probably won’t get a response either. So in that case, in the first instance, I might just wander around and see if they’re in their office.

Networking enhanced the accountants’ ability to obtain conjuncturally-specific knowledge. As A15 attested, cultivating relationships “works for the benefit of everybody involved” and enhances the gathering of responses from people. Through getting to know their colleagues, the accountants gained insights into their colleagues’ thought processes and they were able to adapt their communications to that of their colleagues to gain interest and understanding. For example, because many of the “team leaders aren’t financial people”, simplifying language aided communication (A12). An FC (A23) provided an example of initiating attendance at the accounts payable team meeting. The FC observed that this action appeared to facilitate the team members’ perceptions that they were being heard and knew what was going on. Hence, positive
attitudes (changes in the conjuncturally-specific knowledge of networked others) were the perceived outcome of this FC’s relationship building.

As the strategies that the interviewees adopted for furthering their intra-organisational relationships were adapted for different members of their organisations, the accountants drew on their conjuncturally-specific knowledge of organisational norms and their colleagues. When the accountants acted on this knowledge and observed the success or otherwise of their actions, their conjuncturally-specific insights were further enhanced. The accountants were proactive in building relationships, regardless of their organisational positions. Some of the duties arising from the accountants’ roles, such as attending meetings, provided further opportunities for them to build relationships.

6. Discussion

6.1 Importance of networks

The significance that the interviewees attached to developing relationships within their organisations echoed the sentiments of the International Federation of Accountants (IFA) study (2013). This study identified the need for CFOs to foster relationships with other leaders within their organisations. Burns and Baldvinsdottir (2007) similarly noted the need for management accountants to interact and build relationships of trust with colleagues throughout their organisations, who are from differing business areas and who have varying levels of seniority. Furthermore, Ernst and Young (2008) observed that successful FCs were diligent in fostering relationships with senior management. The current study’s accountants did not just give lip service to the importance of relationships; they were proactive in deepening and broadening their relationships with others within their organisations. They were not held back by a desire to work alone. This finding was in stark contrast to prior research that found that accountants enter the profession owing to their interest in quantitative matters and the perception that accountants work alone (Lin, Grace, Krishnan, & Gilsdorf, 2010).

6.2 Accountants’ communication partners

The CFOs’ communication partners were similar to those identified in prior research: boards, CEOs and FCs (Ernst & Young, 2008; IBM, 2010). Furthermore, the current study confirmed findings of the Ernst and Young study (2013a) that CFOs may be put in charge of areas such as information technology, payroll and property. The close relationship between the CFO and the CEO has been stated in a number of studies (e.g. Ernst & Young, 2013b; IFA, 2013); they regularly communicate together. As the IFA study (2013) noted, CFOs should both support and challenge the CEO and place themselves at the CEO’s elbow. Support can lead to the reinforcement of structures, while challenging can alter structures. Taylor (2013) also acknowledged that CFOs were members of the senior management team. This membership was an external structure that impacted upon those with whom they communicated. It appeared to be an irresistible causal force. Network research has indicated that formal horizontal ties are often disregarded (Rank, 2008). The current study found that accountants actively pursued their formal horizontal ties with their fellow executives as they perceived it was expected of them in their role.

The FCs’ close involvement with management has also been noted in prior studies (Graham et al., 2012; Zoni & Merchant, 2007). Additionally, Sorensen (2009) observed that management accountants appeared to have an increasing involvement in assisting management. The current study’s findings aligned with Johanson’s (2000) study of a social services and health organisation that found informal networks were quite similar to organisational hierarchy
structural. Professional employees, at an operative level, had the power to cross hierarchical boundaries and they interacted directly with top management.

6.3 Strategies for sustaining and furthering networks and being influential

Transparency, honesty and integrity were general-dispositional traits expressed by many of the interviewees when they spoke of their values. These dispositions influenced how the accountants went about establishing and developing their networks. Furthermore, general-dispositions drove, to a large extent, the importance that they attached to networks. The accountants drew on and enriched their conjuncturally-specific knowledge as they developed and sustained their networks. Consideration of the conjuncturally-specific provided examples of ways in which the accountants’ knowledge of those with whom they communicated influenced those communications. Face-to-face communication was the preferred approach for developing networks. Drawing on the conjuncturally-specific knowledge of others enabled the accountants to tailor their conversations to the needs of those with whom they were communicating. It appeared that the accountants’ conjuncturally-specific knowledge of their managers’ preference for verbal communication (Hall, 2010) led to the accountants being engaged in many face-to-face conversations. Simply being willing to hold the conversations in that way was an act of persuasive communication and strengthened accountants’ networks.

Some of the duties attributed to the accountants’ roles (such as attending meetings) provided opportunities for them to build relationships (Morales & Lambert, 2013). The ties and cohesion described between organisational members appeared to be quite strong at a group level (Granovetter, 1973). Prior research has also demonstrated ongoing discussion through budget meetings (Fauré, Brummans, Giroux, & Taylor, 2010). Owing to their positions within their organisations, the accountants’ communication with some individuals was not optional. For instance, as discussed earlier, the CFOs were generally part of the executive group and they took part in the executive meetings. If accountants saw their role as a combination of expert and boundary spanner as observed in 5.2, then their fostering of relationships fitted this perception. Furthermore, CFOs played a bridging role connecting the executive managers who had expertise in different spheres (Awazu, 2004). The accountants’ seniority and knowledge put them in the role of experts (Cross & Prusak, 2002) as organisational members sought out their specialist knowledge. In addition to the expert role was the perceived requirement to make knowledge understandable (Awazu, 2004). These roles have interesting implications if we consider the five roles in networks identified by Awazu, 2004. At first, it would seem obvious that the accountant took the role of expert. However, the implication here was that they also acted as boundary spanners and extended their networks to the operational side of the organisation, its managers, employees and volunteers. As we examined the motives of the accountants in focus further, it would appear that they had aspirations to be central connectors. In their networks, they needed to include those who acted as gatekeepers and bridges to achieve their boundary spanning and central connector goals. Being an expert and the ‘go-to’ person was insufficient when their aim was to influence and change practice within the organisation.

As the accountants built relationships, others were more likely to view them as being committed, knowledgeable organisational members and the accountants perceived this led to others seeking out the accountants for assistance and advice, thus extending their networks. The accountants were proactive in developing and sustaining their networks. In particular, they chose forms of communication that were likely to persuade others to engage with them in financial or organisational matters which included cultivating opportunities for staff members to get together.
The accountants’ success in building networks may be related to their familiarity with alternative ways of thinking and behaviour, as evidenced by their connections across different groups (Burt, 2004). The accountants’ initiative in fostering and strengthening networks demonstrated their ability to shape their roles to some degree. Interestingly, the Ernst and Young (2016a, p. 29) global study of 769 finance leaders concluded that “Successful CFOs will be those who proactively shape their role in response to the major forces transforming the business environment, and thus secure their place in the inner circle directing the organization forward.” To follow the ideas drawn from Awazu (2004) and used in sections 5.2-5.3, the CFOs’ notions of their roles, and their position-practices was more complex than their being the expert on financial matters. Their proactive actions shaped their role and brought about practices that enabled them to be central connectors within the organisation with the ability to influence future collective action. They chose their modes of communication reflexively, to persuade networked others that they as accountants should be able to occupy these additional position-practices.

6.4 Theoretical discussion

Strong structuration theory provided some useful perspectives on interpreting the findings. The concepts of position-practices, and the delineating of internal structures between general-dispositions and conjuncturally-specific knowledge, guided and enriched the study. Position-practices provided a helpful approach to the consideration of the accountants’ networks and the parties who comprised those networks. The small number of prior strong structuration studies that have considered accountants’ position in networks have concentrated on only a few of the parties that make up accountants’ networks. Those studies have not considered networks from the viewpoint of an individual accountant (Coad & Glyptis, 2014; Coad & Herbert, 2009; Jack & Kholeif, 2007).

What was noticeable was the way in which the accountants’ role perceptions were influenced by their prior experiences, their desires to contribute to their organisations and the expectations of other organisational members with whom they interacted (external structures). These perceptions had an influence upon the people with whom they communicated. The supporting role involved communication across the organisation. Of the accountants interviewed, the CFOs were the ones most commonly engaged in strategy. The development and execution of strategy led to the CFOs communicating with an array of people within their organisations. The management and reporter roles also led to a diversity of communication partners. The idea of position-practices within structuration theory can be complemented by the notion of the types of roles that people assume in networks, as given in Awazu (2004). In particular, it appeared that accountants embraced a number of roles — that of expert, boundary spanner and bridge in particular — when consciously building networks. It seems that they communicated these roles and perceived they persuaded networked others that they were useful to them and to the organisation beyond acting as just resident expert. They appeared to be seeking the role of central connectors, in their desire to influence both executives, managers and operational staff into running the organisation in a financially aware and astute manner.

Within a strong structuration framework, relationship building and the choice of communication can be identified as active agency. There are currently few papers that have fully explored Stones’ (2005, 2015) use of agents’ context analysis and agents’ conduct analysis as tools to understand more fully the status of knowledge in structuration processes (Coad et al., 2016). In this study, it was observed that senior accountants in NFP organisations built relationships strategically using conversations, events and written communications. The accountants observed that over time, those in their networks initiated discussions about accounting figures, strategic plans, matters of concern and requests that would not have
emerged without the relationships being in place. The accountants produced an environment where they noted that colleagues asked questions and became more observant of issues that had financial consequences. Moreover, people appeared to become increasingly conversant with financial language and the concerns of the accountant and the discussing of accounting information seemed to be more taken-for-granted. The outcome perceived by the accountants was that more people within the organisation had conjuncturally-specific knowledge of the financial aspects of the organisation. At the same time the accountants increased their conjuncturally-specific knowledge of their contextualised field and the likely conduct of others in future actions. Their effectiveness and status as senior accountants were further legitimated and they gained a greater ability to influence others, which within an NFP organisation was more effective than authority.

Theoretically, the process of structuration in play was seen to follow a pattern. By building relationships, the accountants were attempting to alter the conjuncturally-specific knowledge of targeted networked others in the contextual field. This included, for example, ‘someone who knows what they are talking about’ and ‘someone to whom I can address questions/relay my concerns’. The outcome was a taken-for-granted situation in which the accountants in turn enlarged their own conjuncturally-specific knowledge, which became incorporated further into their analysis of their own contexts and conduct. The following actions may have reproduced or altered structures. If they encountered little or no resistance, then the structures also reinforced their ability to establish systematic routines, legitimate their position and exert a right to such conversations. The important development here was the identification of the active agency in the process as relationship building or as a choice of persuasive communication in order to influence. Another development was the idea that accountants might adopt a number of roles and positions in a network in order to establish themselves more firmly at the centre of the organisation. Further studies could explore this observation more fully.

Conceptualising further as methodology for empirical analysis, it was seen that accountants actively choose to network and impart or solicit knowledge related to their roles in order to influence the context and conduct analyses of other agents. In the case of the NFP organisations, such influence appeared to be positive and benign. However, from experience and the literature we also know that accountants can choose forms of communication that can have a negative effect on networked others, such as in cases of earnings management or fraud. Researchers in accounting using strong structuration theory in their research design and analyses need to raise questions as to why, at this time and in this place (or across time and space), the agent chose to use this form of communication. Were the outcomes as intended and how was the contextualised field of agents affected?

An initial formulation of a social theory of accounting derived from strong structuration theory is that accounting is a structuration process. That process involves communication as active agency where the form of communication chosen is derived from the accountants’ analysis of their own context and conduct, and their analysis of the context and conducts of networked others. The actions chosen are intended primarily to reproduce or to alter the conjuncturally-specific knowledge and institutionalised behaviour of others. These intentions may be disrupted by the active agency of others engaged in their own analyses and actions, including active resistance. In other words, the case here supports developments in interpretative accounting research. Structuration theory may be extended beyond organisational systems of management control, artefacts and the analysis of institutionalised structures towards a more detailed analysis of knowledge, communication and action by agents. Stones and Jack (2016) highlight how strong structuration theory developed from wishing to know how ‘flesh and blood’ people produce and reproduce institutional structures. The contribution here is to propose a starting point that looks at accounting research as the studying of accountants (or
anyone engaged in or influenced by accounting practices) and their strategically chosen actions, primarily that of communication.

6.5 The influence of the NFP sector context on the findings

Although the lines between the sectors are becoming increasingly blurred (Edwards, 2009), nevertheless the distinct features of NFP organisations appeared to have some influence on the interviewees’ responses. Prior research has acknowledged that organisational culture drives the number of ties between people in networks (Eckenhofer & Ershova, 2011) as well as information sharing behaviours (Drake, Steckler, & Koch, 2004). While the accountants acknowledged the importance of building relationships with their colleagues, it was further stressed that this was particularly important within the NFP sector. The accountants also stated that working for NFP organisations led them to interact with a wider range of people than they had experienced when working within for-profit organisations. It has been found that NFP organisations “display more variety in the services they offer, the missions they profess, the consumers they serve, and the stakeholders to whom they appeal” (Beck, Lengnick-Hall, & Lengnick-Hall, 2008, p. 157). The emphasis on face-to-face contact, along with the creation of opportunities to build staff relationships, such as morning teas, may have greater prominence in NFP organisations, as prior research has noticed the desire for consensus and dialogue in the NFP sector (Hiebl & Feldbauer-Durstmüller, 2014; Oster, 2010; Stein, 2002; Tucker & Parker, 2013). Robust and extensive networks were seen among the interviewees. It has been argued that the strength and extent of network ties are related to effective organisational commitment (Bozionelos, 2008). It may be that in NFP organisations, commitment to their mission influences both the extent and the strength of relationships. All these would be considered organisational norms from a structuration theory perspective. The accountants’ conjuncturally-specific knowledge would contribute to their recognition of such norms.

7. Conclusion

This study has added to the sparse knowledge of accountants and their networks. The study has confirmed that the interviewed accountants from the NFP organisations not only placed importance on relationships within their organisations but they also actively pursued such relationships. Furthermore, the primary constituents of the accountants’ networks have been identified. The CFOs communicated with a larger number of employee groups than the FCs. As the CFOs belonged to the executive group, they communicated with the board and the executives. In all of the interviewees’ organisations, the CFOs and FCs were in regular communication. Both the CFOs and FCs communicated with their managers. In the smaller organisations, the FC generally had greater contact with the CEO. By contrast, the FCs in the larger organisations had less interaction with their CEOs. The accountants’ networks offered them opportunities to exercise authority as they influenced other staff members, provided meaning and impacted on organisational norms. The NFP environment provided an interesting setting to study accountants and their networks. Frontline professionals within NFP organisations have been shown to have lower levels of interest in accounting matters and to be resistant to initiatives to increase their financial understanding (Chenhall et al., 2010; Lightbody, 2003). Additionally, accounting has been found to play an important legitimising role in NFPs (Irvine, 2005).

The main contribution of this paper is to take the analysis of structuration in accounting away from ontologically-based institutional analyses of rules, routines and systems and into more epistemologically, action-based analyses of contextual fields. Such analyses involve an understanding of accountants as people rather than of accounting practices; a dimension
missing from much accounting research (Cooper & Robson, 2006; Suddaby, Gendron, & Lam, 2009). The position-practices of the accountants involved communications aimed at building relationships and eliciting verbal communications, as much as communications based on recording, monitoring and reporting practices. These findings are what we would expect from the literature about networking, but there is very little in the accounting literature that examines this form of persuasive communication as an essential component of how senior accountants operate. Furthermore, by linking the five roles in networks posited by Awazu (2004), the position-practices observed in this study showed that the accountants interviewed drew on knowledge of themselves as not only experts but also bridges and boundary spanners in NFP networks. They appear also to have aspirations to be seen as central connectors within their organisations and sector. Their communications are designed to change the conjuncturally-specific knowledge of others about their (the accountants) roles and enhance the possibilities for bringing financial astuteness to all aspects of the NFPs’ work. From there, a tentative social theory of accounting communication can be put forwarded. The communications chosen – which constitute active agency on the part of the accountants - are intended primarily to reproduce or to alter the conjuncturally-specific knowledge and institutionalised behaviour of others.

There are several potential directions for future research. The influence of the NFP setting on the findings was acknowledged. A similar study with accountants working within for-profit organisation would help to determine the extent of impact that the NFP sector may have on accountants’ networks. In the current study, accountants were the agents-in-focus. Future studies might consider how accountants are incorporated into the networks of other organisational members. Interviewees verbally provided their perceptions of their networks and how they established them. Studies might also consider using document analysis and observations to study accountants’ networks and to analyse more precisely the communications within those networks. Further work could also show how such studies might be carried out at different ontological levels or abstraction. This study looked at a micro-level within relatively small organisations, and at the ontic or individual level in detail, but Stones (1996, 2005, 2015) explores more floating levels of analysis at the meso- and macro-levels of abstraction. He acknowledges that strong structuration theory lends itself to fine brushwork in empirical analysis, but he calls for techniques to be developed to encompass broader canvasses. Future work could also develop methods and concepts in accounting for detailed analysis of contextualised fields, specific communications and “the status and adequacy of knowledge” (Stones & Jack, 2016, p. 1148), something that always pre-occupies accountants.
References


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1 The accountants’ titles varied. However, the majority were either the most senior accountant or the second most senior accountant in their organisation. For ease of reference the most senior accountants are referred to as CFOs (chief financial officers), the second most senior accountants are referred to as FCs (financial controllers), the small group of other accountants are designated OA (other accountants).
2 References to large organisations relate to organisations with more than 1,000 equivalent full-time employees.
3 For ease of reference, these people are termed ‘non-finance subordinates’.
4 A football tipping competition runs during the sporting season and involves predicting which teams will win their matches. At the end of the season those with the most correct predictions win the competition.