

# Roles at crossroads: complexities and conflicts surrounding management accountants' roles based on evidence from the Sri Lankan context

Thenuja Sivabalachandran and Tharusha Gooneratne  
*Department of Accounting, Faculty of Management and Finance,  
University of Colombo, Colombo, Sri Lanka*

## Abstract

**Purpose** – Drawing insights from finance and non-finance managers in Sri Lanka, this study unveils complexities and conflicts surrounding the roles of management accountants and the nature of role construction stemming from differing expectations of non-finance managers and external influences.

**Design/methodology/approach** – This paper adopts the qualitative methodology and leans on role theory and new institutional sociology (NIS), as these dual theories complement each other and enable a holistic understanding of management accountants' roles, complexities and conflicts.

**Findings** – The findings reveal that in fulfilling their roles on par with divisional goals, amid expectations of non-finance managers and external influences, management accountants face various complexities and conflicts. Furthermore, in navigating through their roles, understanding the operational realities of work organizations and business sectors and negotiating with non-finance managers is vital.

**Research limitations/implications** – This research draws evidence from a selection of finance and non-finance managers. Thus the findings are not expected to be generalized to business firms in Sri Lanka.

**Practical implications** – This paper offers practitioner insights into how management accountants could construct their roles in different organizational settings, balancing the expectations of non-finance managers and external influences.

**Originality/value** – Despite its importance, complexities and conflicts surrounding management accountants' roles amid multiple influences have attracted scant research attention. Hence this paper is a noteworthy addition to the literature. Besides, using role theory and NIS in tandem although apt, has not been the focus of prior researchers in delving into this phenomenon.

**Keywords** Management accountants' roles, Complexities, Conflicts, Non-finance managers, Qualitative methodology

**Paper type** Research paper

## 1. Introduction and review of literature

Management accountants play an inevitable role in organizations operating in today's dynamic business world by devising appropriate strategies, enriching an innovative climate and enabling a platform for value creation. Management accountants do not merely handle money but make more of it (Nielsen, 2018) and are considered critical figures behind their organizational success (Fadhilah *et al.*, 2015). Accordingly, over the years, there have been significant changes to the role of management accountants from traditional number



crunchers to value-adding business partners (Pierce and O'Dea, 2003; Burns and Baldvinsdottir, 2005; Lambert and Sponem, 2012) due to the volatile business environment, intense global competition, economic challenges, technological advances, changes in business processes and varying expectations and demands from non-finance managers (Burns and Baldvinsdottir, 2005). With the increased involvement of management accountants in cross-functional teams and operational and strategic decision-making (Hopper, 1980; Burns and Baldvinsdottir, 2005; Byrne and Pierce, 2007, 2018), the collaboration between management accountants and other functional roles has enhanced (Siegel and Sorensen, 1999). Furthermore, the financial status of an organization is a decisive factor influencing the position management accountants occupy in organizations. When a firm faces an economic crisis, the need for management accountants is increasingly felt (Wolf *et al.*, 2020). The infusion of contemporary practices such as the balanced scorecard (BSC), activity-based costing (ABC) and enterprise resource planning (ERP) systems have also brought in far-reaching implications for the accounting profession.

More particularly, technology exerts significant influence on management accountants' roles in organizations in terms of automation of transaction processing, information integration and reduction in reporting cycle time. Automating routine accounting activities has redefined management accountants' roles, enabling them to expand their roles and move to tasks requiring higher analytical levels (Byrne and Pierce, 2007; Heinzlmann, 2018). Arguably management accountants increasingly involve themselves as core members of the leadership team while fitting into generalist and specialist functions (Parker, 2002; Marchant, 2013) aligning, to overall organizational objectives (Fadhilah *et al.*, 2015). In such emerging roles, management accountants must develop competencies in technology, operations, marketing, strategic planning, business operations and analytics (IMA Management Accounting Competency Framework, 2019).

Such a broadening of the scope of management accountants' role is surrounded by a lack of clarity, increased complexities and ambiguities with a perceived inconsistency in their expected behaviors (Byrne and Pierce, 2007; Oppi and Vagnoni, 2020). The structural position of management accountants in the organization has also become problematic (Hopper, 1980) with a dilemma on the dissonance of their occupational identity (Heinzlmann, 2018), which invariably leads to tension between them and non-finance managers (Burns and Baldvinsdottir, 2005; Byrne and Pierce, 2007). Operations managers expect a more significant business acumen, flexibility and a broader focus from management accountants (Pierce and O'Dea, 2003) while alternating between information provision and a supportive business role (Mack and Goretzki, 2016; Byrne and Pierce, 2018). Management accountants' capacity to shape their role in this manner tends to be associated with their attitudes, personalities and initiatives (Ahrens and Chapman, 2000; Byrne and Pierce, 2007). They strive to construct their role amidst these differing expectations by prioritizing tasks and applying interpersonal and communication skills (Byrne and Pierce, 2007, 2018). The literature also suggests that the involvement with users of information increases the acceptability of management accountants in the minds of non-finance managers and creates a new legitimacy (Fadhilah *et al.*, 2015).

Amid widespread cross-functional team working and blurred functional boundaries in contemporary organizations, exploring expectations, complexities and conflicts surrounding the roles of management accountants and their role construction deserves scholarly attention. While some prior studies have focused on the changing role of management accountants and the resulting complexities and ambiguities, such studies have centered on operations managers' involvement with management accountants. Little attention has thus been on incorporating insights of other key influential non-finance managers [1] and external influences (Byrne and Pierce, 2007, 2018). In the current business settings, while there is a significant interplay and increased work involvement between management accountants and marketing managers

(Opute and Madichie, 2017), the influences posed by marketing managers on the management accounting profession cannot be ignored. This study captures these critical yet neglected dimensions in past research. It incorporates the role expectations of marketing managers (in addition to operations managers) and the role construction of management accountants amidst complexities and conflicts surrounding their roles caused by internal and external influences. In that sense, this paper is different from the work of Byrne and Pierce (2018), founded upon a developed country context and leaning on role theory, explores the operations managers' expectations and the enacted roles of management accountants, primarily drawing on interviews with management accountants and operations managers.

This paper draws empirical evidence from finance and non-finance managers of organizations operating across six main sectors in Sri Lanka and sheds fresh light on contextual ramifications in a different (developing country) context. It derives the following research questions:

- RQ1.* What complexities and conflicts are faced by management accountants regarding their roles, arising through external influences and internal interactions?
- RQ2.* How do management accountants construct their roles around complexities and conflicts caused by different influences and expectations?

This study deploys the qualitative methodology and leans on dual theoretical strands; role theory and new institutional sociology (NIS). Our findings reveal that in fulfilling their roles amid expectations of non-finance managers and external influences, management accountants face varying complexities and conflicts based on their work organization and the sector within which it operates. Such multiple influences, surrounding complexities and conflicts place management accountants' roles at crossroads, where they must satisfy different role expectations of non-finance managers while keeping abreast of external influences. Hence management accountants must make critical decisions at the intersection (crossroad) of these varying roles. In steering through their roles in this manner, management accountants must be mindful of ground realities in their work organizations and the business sector and negotiate with non-finance managers to reach the best course of action in a given scenario.

This study contributes to literature, theory and practice. Although complexities of management accountants' roles amid the diversity of influences are inescapable to organizations, there has been scant exploration in this regard empirically. The limited past studies have focused on operations managers' interactions with management accountants' roles. This paper simultaneously explores operations and marketing managers' interactions with management accountants, the external influences and the resulting complexities of the management accountants' roles and role construction. Hence forms a valuable addition to the current body of knowledge. It also has theoretical merits, for it illuminates how bringing together dual theories, role theory and NIS enables a holistic understanding of the complexities and conflicts surrounding management accountants' roles. This paper also provides practitioner insights on how management accountants could navigate in their role in light of internal and external influences and expectations of non-finance managers suited to various situations and organizational settings.

The rest of the paper is structured as follows. Section two presents the research context, methodology and theoretical lens. Section three offers the research findings, while section four discusses the findings and concludes the paper.

## **2. Research context, methodology and theory**

### *2.1 Research context*

This research capitalizes on data from seven leading companies across six main industries in Sri Lanka, selected based on Brand Finance Report "Sri Lanka 100–2019". Brand Finance is

an annual report on Sri Lanka's 100 most valuable and robust brands, covering consumer, conglomerate and corporate export brands and was set up in 1996 to bridge the gap between marketing and finance. Based on the 2019 Brand Finance Report ranking, the particular firms selected while representing the critical industries in Sri Lanka are leading players in the respective sectors/areas they operate, which is evident through their size (in terms of the workforce size and turnover). Accordingly, two companies in the apparel industry (considering the scale of operations) and one company each in food and beverages, tea, automobile, telecommunications and banking were selected for inquiry.

Once the particular firms were identified, covering the key sectors and considering the scale of operations, published records (for example, annual reports) and such firms' websites were reviewed to understand business operations and their management accounting function. Based on this analysis, it was evident that management accounting occupies a significant position. Hence these entities were deemed suitable for our empirical inquiry, given the focus of this study (management accountants' roles) and were selected to carry out a detailed analysis. Critical contextual information about each entity based on data gathered through corporate websites and published records is presented in Table 1 (available online at: [https://docs.google.com/document/d/1H\\_ISG2OUDHrn-WpX97iwt7zdBt\\_cTkkg/edit?usp=sharing&oid=10076254777921956528&rtpof=true&sd=true](https://docs.google.com/document/d/1H_ISG2OUDHrn-WpX97iwt7zdBt_cTkkg/edit?usp=sharing&oid=10076254777921956528&rtpof=true&sd=true)).

## 2.2 Qualitative methodology

This paper adopts the qualitative research methodology, which can explore the meaning people attach to their experiences. It relies on rich, thick verbal descriptions acquired through in-depth interactions with organizational members (Silverman, 2000). This methodological orientation has become a suitable option for the current research as it involves unearthing management accountants' role complexities and conflicts by delving into the role expectations of non-finance managers and external influences and the role construction of management accountants.

Accordingly, as the primary data collection method, in-depth interviews were conducted with management accountants [2] and non-finance (marketing and operations) managers, which enabled in-depth insights by encouraging interviewees to respond in their ways (Ahrens and Chapman, 2006). Interviews with the management accountants revolved around (1) their job role and significant activities, (2) non-finance managers' expectations and involvement in their work, (3) consequences of other managers' involvement, (4) any conflicts or ambiguities regarding their role, (5) external forces influencing their work and role. The interviews with non-finance managers covered their (1) role in the organization and significant activities, (2) interactions with management accountants and (3) expectations regarding management accountants' roles.

Since the data collection of this study was done during the COVID-19 pandemic, a few interviews were conducted via telephone. Fourteen interviews in total were conducted; seven with management accountants and seven with non-finance managers (spanning operations and marketing functions). Interviewees from each firm included a management accounting personnel and a non-finance manager. All interviews were transcribed. Then interview data were drilled down into different categories (Irvine and Gaffikin, 2006) based on the sectors, interviewees' positions, similarities and contrasting views regarding expectations of management accountants' role and role construction while being guided by the dual theoretical underpinnings, role theory and NIS. A review of documents, such as annual reports, web pages and the organizational structure of the particular firms, supplemented interview data. Such data triangulation enhanced the credibility of the study. The documentary sources also aided in choosing the relevant people to be interviewed (Ahrens and Chapman, 2006; Irvine and Gaffikin, 2006).

### 2.3 Theoretical lens: role theory and NIS

This study leans on the two theories, role theory and NIS, in an integrative manner in making sense of data, given that each theory taken in isolation provides a partial explanation. Role theory suggests that people's everyday activities occur through socially defined categories, such as mother, manager and leader. Each role would entail rights, duties, expectations, norms and behaviors that a person needs to fulfill. A person would know how to behave when conscious of the role expectations. Role theory is a suitable lens to explore how organizational roles are influenced by the expectations of other organizational members (role senders). Thus, the role senders' expectations are vital in constructing the role behavior of the focal role occupant; and any differences between expectations set by different role senders cause role conflicts and ambiguities (Kahn *et al.*, 1964; Katz and Kahn, 1978; Byrne and Pierce, 2018; Rouwelaar *et al.*, 2018). Expectations regarding organizational roles, associated role conflict and role ambiguity are vital concepts of role theory, as proposed by Kahn *et al.* (1964) and Katz and Kahn (1978).

Since there is a need to go beyond role theory to capture the complexities of management accountants' roles caused by external influences, this paper also draws on NIS. According to NIS theorists, the survival of an organization requires conformance to societal norms and external influences stemming from coercive, mimetic and normative pressures (DiMaggio and Powell, 1983). Such forces could be by way of regulations imposed by authorized bodies, legislation, social and political pressures and standards (coercive), professional bodies, education, training, professional networks, top management, corporate culture, organizational practices, strategic orientation and consultants (normative) and copying best practices from others and imitating behavior (mimetic).

These dual theories complement each other, and deploying them in tandem enables a holistic understanding capitalizing on the strengths of the two theories (Hoque *et al.*, 2013). Role theory is a suitable lens to understand the differing expectations of non-finance managers, such as operations managers and marketing managers, regarding management accountants' roles, resulting in conflicts or ambiguities and how management accountants navigate their roles accordingly. Such a perspective is critical in the contemporary business setting, as the interplay between management accountants' roles and other organizational functions has intensified, as outlined in the introduction above. With its macro focus, the inclusion of NIS in this study helps to develop an understanding of expectations and complexities about management accountants' roles stemming from external institutional influences by way of changing dynamics in the external environment through the imposition of different taxes and regulations (for instance, due to COVID-19). Therefore the insights afforded through these dual theories are highly interrelated and are deemed appropriate for the current research.

## 3. Findings

This section presents the findings of the study based on insights gathered from finance and non-finance managers regarding management accountants' role expectations and role construction amid various external and internal influences, role complexities and role conflicts.

### 3.1 Role of management accountants

Interview data gathered from accounting and finance professionals revealed that management accountants' role in organizations is primarily attached to budgetary control, performance measurement, investment appraisal as well as provision of cost control and benchmarking information for decision-making. As the finance manager of the telecommunications firm stated, "*our main role in the management accounting function is preparing budgets and then every month analyzing the actual performance against budgets to identify whether the actual performance is according to the budget or not.*" Furthermore, the

management accountant of a firm in the tea sector commented on how the information they provide is used for investment decisions. He said, *“we have to provide information for investment analysis by evaluating capital expenditures of different projects, forecasting and carrying out profitability analysis as required by the management on time to make investment decisions.”* It was also evident that the management accountants' role and involvement with various departments differ based on the particular organization and the industry in which it operates. In this regard, a management accountant of an apparel firm espoused how his role is notably distinct compared to his counterparts in other sectors. As he stated,

In the apparel industry, the styles we design differ from one period to another, based on customer specifications. So, before we finalize purchase orders, we have to make a profitability projection for each new style and give it to our marketing directors.

He noted that management accountants are also required to evaluate different options, such as whether the capacity of the current operation is sufficient to cater to the customer demand. As he elaborated,

There are certain situations where we do not have sufficient capacity, i.e. not enough factories to stitch to cater to the customers' demand. That means we have an overflow. In such situations, the management may come up with options to acquire a third-party plant or look for external suppliers for sub-contracting or outsourcing. The management accountant is the person who evaluates these options by doing a cost-benefit analysis and evaluating the risks of each option, i.e. whether we should acquire a factory, sub-contract, or else expand the existing capacity. The management accountant also has to evaluate whether the expected savings and benefits are coming through and whether we are on the right track or not.

Bringing in a perspective from the banking sector, a finance manager stated,

We are not a traditional manufacturing organization; as a bank, our practices are different. In the management accounting area, we focus on branch targets. As a bank with many branches, if we have small cost savings in all the branches, in aggregate, it will be a huge saving, and at the end of the day, it will add value to the company.

A finance manager of an apparel firm highlighted how management accountants' roles have evolved over the years with organizational changes. He commented, *“If you take the early days, all our data processing tasks were done internally by the management accountants. Nowadays, we have moved most of these tasks to our outsourcing team”*.

Similarly, the management accountant of a food and beverages firm emphasized that their role has changed and broadened to being a business partner. He stated, *“we have a combined role as a management accountant and a business controller. As a business controller, our role will be supporting the business to achieve profitability and sales targets”*.

As the above interview evidence suggests, management accountants are engaged in various tasks accustomed to their typical roles and roles specific to their work entities and the sector in which their organization operates.

### 3.2 External influences and role complexities

The varying roles of management accountants outlined above get subjected to external influences in the broader business environment and industry-specific effects, which, in turn, gives rise to role complexities. As illuminated by a management accountant of a food and beverages firm, based on industry requirements and due to the seasonal nature of production and sales, the firm carries out costing and sales analysis. As he expressed, *“... with the seasonal changes in production, we have to analyze past trends and allocate funds and decide on sales projections for different product lines in the specific seasons.”*

As the data collection of this research was during the COVID-19 pandemic period, management accountants elaborated on this unexpected external occurrence and the

enduring complexities caused by the pandemic in making timely decisions. An interviewee from a food and beverages sector firm held the following view. *“As management accountants, we should always have the visibility of external factors and know what is happening in the competitive market. Especially with this COVID-19 pandemic, we should actively monitor the external environment.”* Noting that the firm could not stick to targets promulgated through budgets in this setting, he confessed, *“... although we finished preparing our budgets with this pandemic, it had now become an academic exercise. The projected numbers cannot be achieved, so we have to try at least to break even.”*

Similarly, a finance manager from a banking sector firm noted how external influences caused by the COVID-19 pandemic have led to role complexities with new regulations imposed by authorized bodies. He commented, *“... with the COVID-19 pandemic; banks were directed to give an additional period to customers to settle loan installments. This results in a delayed collection of income, and we cannot achieve our expected targets”*. Further on this point, a management accountant of an apparel firm noted how amid the COVID-19 pandemic, handling bottleneck had become a crucial task. He continued, *“even in this COVID situation, our order book is fixed, which means we have got enough orders from the customers. But our concern is handling bottlenecks with the capacity of labor hours.”* The management accountant of the automobile firm pronounced how external institutional influences, such as changes in government policies, create role complexities. She commented, *“we must consider tax and other government policies in our decisions. If there are any changes in these policies, we have to factor them; do some re-work; and again, check our profitability.”* Besides, a management accountant of a food and beverage firm illuminated how external factors affect their practices, stating,

Based on the government's tax policy, recently there was an increase in palm oil tax, and with this increase, our input cost will go up. Then we need to increase prices, or we have to face a reduction in profits. So we need to analyze if we increase the prices what would be the impact on demand.

In this manner, the interviewees' words exhibit how management accountants face role complexities stemming from changing dynamics in the external environment, the imposition of different taxes and regulations and the COVID-19 pandemic. Adding this are the influences emerging internally, as explored in turn.

### *3.3 Finance and non-finance managers' interactions and role expectations*

Our evidence from the field highlights the nature of interactions between finance and non-finance managers, expectations of non-finance managers regarding management accountants' roles and ensuing consequences. One management accountant of an apparel firm stated that they need to interact with non-finance managers to facilitate smooth organizational functioning and decision-making. He commented, *“management accounting is like a hub connecting different non-finance departments such as marketing and operations. We have to coordinate with these departments, get their inputs and consolidate the data.”* At the same time, another finance manager added that management accountants cannot fulfill their role without interacting with others and that each department should contribute to the organization's outcomes. He commented, *“you cannot do things if you are not interconnected. When profit needs to be improved, marketing people need to deal with customers, suggest new products or features and try to bring in additional income.”* A management accountant from a food and beverage firm shed light on interactions between management accountants and non-finance managers, noting,

... the involvement between us is very high; they are the experts in their field; we in finance need to tap into their expertise. Let's say you have a production line that requires maintenance every six months; those technical details would only be known by the factory or the operations manager. So,



we need to get those inputs, then only we can include those details and make provisions in the maintenance budget.

Bringing in a marketing perspective, a manager of an apparel firm stated how the marketing team interacts with management accountants in conveying market data. He said, *"I have to give market updates to management accountants, especially in a changing market, because today's trend might get changed tomorrow, so we have to convey market changes to the finance team for investment decisions."*

On a different note, a marketing manager of a firm in the banking sector emphasized that their interactions with management accountants mostly related to obtaining funds for marketing projects. He provided an example: "If we plan to spend 100 million rupees for a project, management accountant will ask to reduce it to 10 million. Then we have to try out some creative ideas to make an impact." He further mentioned that rather than narrowly looking at cost-cutting measures, management accountants must work towards optimal solutions by selecting projects after a proper risk assessment and not compromising profitability and growth potential. He commented,

Management accountants can play an advisory role to reduce cost rather than blocking things. They should consider an acceptable level of risk and decide on the best options without losing opportunities. They can avoid investing a large sum of money in a single project and consider investing it in different projects. So we can cover up any losses from the other projects, then at the end of the day, we will be in a leading position, not in a losing position.

From the viewpoint of a marketing manager, management accountants need to work with non-finance counterparts in a mutually beneficial and progressive way. He commented, *"if management accountants work without any egoistic issues by allowing others to tell their ideas and advise about optimal options, it will be a Win-Win situation."* According to a management accountant of an apparel firm, non-finance managers lack clarity on overall organizational goals and how various actions could be unified into a single platform. He added, *"at the end of the day, we are doing all these things to earn money and make profits. In my experience, most non-finance people do not have a sound understanding about how everyone's operations get linked to the profit and loss."* Amid such sentiments, an operations manager of an apparel firm highlighted the need for management accountants to understand ground realities. As he espoused, *"management accountants do not need to be perfect in operations. But if they understand operations and the technicality of the business, then they can support our team to achieve profitability, and there will be fewer disputes with the teams' ideas."* Elaborating further, he emphasized the need to gain an understanding of the difficulties in the operation process in the particular industry, stating,

For example, there is a difference between garment manufacturing and the automobile industry. So, when a management accountant comes from automobiles to the garment industry, and if he tries to compare the practices, there will be issues. If we take an automobile company, they are changing options, but the basics remain the same with small additions to the manufacturing process. But with garment manufacturing, we deal with fashion and frequent changes. So, we should be able to cater to quick changeovers. When there are changeovers, the efficiency will drop drastically. Due to the learning curve effect, manufacturers need time to get the expertise. So, if the management accountant understands the operations properly, he can guide the team very well.

Contributing to the same point, a marketing manager of a telecommunications firm confessed, *"management accountants must be flexible based on the scenarios, have a sound knowledge about business issues and accordingly plan and control the business, rather than just working on numbers."* In this manner, expectations regarding management accountants' roles inevitably increases amid the quest for sustained profitability and marketplace success with the rapid environmental changes and increased competition in the contemporary



business environment. This, in turn, gives rise to role complexities and conflicts. Within this milieu, management accountants must construct their role to aid effective decision-making. We turn to these deliberations next.

### *3.4 Complexities, conflicts and construction of management accounting roles*

Interactions between finance and non-finance managers and varying expectations of non-finance managers understandably give rise to role complexities and conflicts. Management accountants construct their role around such realities. An operation manager of an apparel firm stated, *“honestly speaking, sometimes, we have clashed because the finance team is like traffic police, and they always focus only on numbers. They ask theoretical questions. But that theory is not always applicable in the manufacturing process.”* He went on,

For example, if we order additional materials, they will question, why are you reordering. But in the manufacturing process, we face machinery issues and wastages, and then there might be a shortage of materials. So, we must reorder due to these constraints. But the finance team cannot understand these situations since they are not in operations. They will ask us; If you predicted this amount, why is it over. So, we always argue and explain to them about our situations.

On a rather critical tone, the marketing manager of a banking firm held the view that the management accountants' unwillingness to accept change affects the company's sustainable performance. He said;

When dealing with management accountants, we always end up in a conflict. They will say the budget is only this much. But from a marketing point of view, we try to convince them that if you invest in this, we can get this much benefit to the company. If the management accountant does not understand it and if he is not flexible, then decision making will be challenging.

He highlighted that management accountants need to have a broader outlook regarding options to improve revenue rather than merely focusing on cost reduction, stating,

Sometimes particular campaigns or advertisements will bring us more revenue. So, in that case, management accountants should understand the marketing aspect and think broadly rather than focusing only on numbers. For example, they say our revenue and profit are not growing, so we need to reduce sales staff and cut salary expenses. But then, if we keep the sales staff, we can improve revenue more, compared to the cost reduction by reducing salaries.

Notwithstanding the above, an accounting professional from a banking firm stated that he faces conflicts with non-finance (such as marketing and regional) managers due to their different sentiments regarding costs. He iterated that such issues cannot be sorted out with a win-win situation for all parties, stating,

Let's say when preparing budgets, we consider the last five years' pattern for deposits growth and then try to achieve a higher growth rate than natural growth. Then the marketing and regional managers say we do not have good teams to canvas and will want to train people to increase growth. All this will cause additional costs; then, as a finance team, we have to find ways to cut down costs again.

He reinforced,

There will also be clashes regarding bonus payments and increments for different departments because each department's manager wants to give more increments to their team to improve their divisional performance. But that cannot be done, and you must negotiate with each department's manager. Some people will be happy, and some will be unhappy.

Likewise, the management accountant of a telecommunications firm reiterated that fund allocations to different departments are not without conflicts. He commented, *“let's say for capital expenditure investments, each division might have their important investments. But as a company, we can do only a limited number of projects; even though some would not like it, we*

*have to cut some*". From the perspective of a management accountant of a food and beverages firm, amid differing divisional goals and cost constraints, there is an enduring conflict with marketing personnel. He clarified, *"there is a never-ending conflict between finance and marketing. For example, we must cut marketing expenses when the company is not doing well. So obviously they will not be happy, leading to disagreements."*

In this manner, there are apparent conflicts surrounding management accounting roles regarding fund allocation for different projects, achievement of revenue growth, control over funds, management accountants' understanding of ground realities and the differing focus, priorities and worldview of finance and non-finance managers towards cost control. Within this backdrop, management accountants strive to construct their role by capitalizing on communication, interpersonal and team management skills. One finance manager emphasized,

In some situations, there is a lack of clarity. For instance, when conflicts happen due to fund allocation, management accountants need to explain to others the reasons behind the cost controls and suggest possible ways to improve profitability. So, it always comes down to who is the better communicator when managing these kinds of clashes and conflicts.

Similarly, a management accountant stated, *"if you are a person who is supportive and knows how to handle a team, then it will be an advantage."* These words were reinforced through the comments of another accounting professional who espoused the value of relationship building, negotiations, teamwork and being supportive of meeting divisional goals of non-finance managers to mitigate conflicts. As he commented, management accountants should play a supporting role; if not, the profession will be viewed unfavorably by non-finance counterparts. He stated, *"basically, it's the relationships that we maintain; if we maintain good relationships with non-finance people, then it will be easier for us to convince them. It is mastering interpersonal skills to deal with issues associated with our role."* Besides, a management accountant of a food and beverages firm added that amid different perspectives, final decisions should be in the firm's best interest. He said,

There will be conflicts, but we need to discuss and conclude as a team. We need to gather all members and show them that this is our original plan, our latest forecast and that our performance is lagging behind. Then we have to decide on measures to improve. At the end of the day, it's like a balancing act.

As the preceding suggests, amid the complexities and conflicts surrounding their roles stemming from external influences and varying managerial expectations, management accountants must work in a mutually understandable and harmonious manner.

#### 4. Discussion and conclusion

Capitalizing on data collected from finance and non-finance managers of seven organizations operating across six main sectors in Sri Lanka, this paper unearths the complexities and conflicts surrounding management accountants' roles. Our findings concur with the wisdom espoused by past researchers that the contemporary roles of management accountants are oriented toward facilitating strategic decision-making, moving beyond traditional number crunching work (Burns and Baldvinsdottir, 2005; Byrne and Pierce, 2007, 2018; Lambert and Sponem, 2012). Similar to past studies, our field data show that the shift in the role of management accountants towards business partnering has emerged as a response to expectations of non-finance managers and pressures from the external environment (Pierce and O'Dea, 2003; Byrne and Pierce, 2007).

Keeping with prior work, our empirical evidence illuminate that relationships between management accountants and non-finance people are not always pleasant, given unclear and,

at times, contradictory understandings between them regarding the business partnering role of management accountants (Wolf *et al.*, 2020). The literature suggests that management accountants emphasize their efforts to improve organizational processes, although they are often perceived as inspectors and controllers (Morales, 2019). Prior studies also suggest that the term 'control' is rather disliked by operations managers and that they favor terms such as 'collaborative' or 'directional' (Siegel and Sorensen, 1999; Byrne and Pierce, 2007). In a similar tone, the non-finance managers of this research highlighted the need for the advisory role of management accountants via suggestions and insights rather than mere controls.

Notwithstanding the above, mismatches between the current study's findings and past literature are also evident. Over two decades ago, Ahrens and Chapman (2000) found that management accountants in Britain have become more cautious about their abilities to fit organizational priorities and initiate change. However, amid changing times our findings reveal that management accountants often tend to incorporate non-finance managers' expectations regarding budgeting, investment approvals and new projects and activate changes to ensure a smooth relationship with other divisional people while aligning with organizational goals. In this light, concepts of role theory fit our findings since management accountants, who are the focal role occupants in the study, tend to build their role according to the expectations of non-finance managers, who are the role senders (Kahn *et al.*, 1964; Katz and Kahn, 1978). Additionally, as revealed by management accountants of this study, their role is also influenced by external institutional forces, such as government regulations and social and political pressures. This research, therefore, leans on NIS theory to illuminate such external influences. According to NIS theory, the survival of an organization requires conformance to external isomorphism as the organizational structure is interconnected to the broader environment within which it operates (DiMaggio and Powell, 1991). Inspired by NIS, this paper offers pointers on dealing with changing government regulations, political policies and social pressures to ensure business sustainability. Insights provided by management accountants also reveal how they navigate in their role in light of institutional influences due to the COVID-19 pandemic situation.

Accordingly, the dual theories, role theory and NIS are apt to make sense of how management accountants construct their role around external influences and expectations of non-finance managers as suited to the particular organizations while mitigating complexities. The work of Byrne and Pierce (2018), founded upon operations managers' expectations and resulting management accountants' role conflicts, espoused that management accountants could construct their roles around these expectations through mechanisms such as prioritizing the line function, competence deployment, non-accommodation and communication. Our study, which also draws evidence from marketing managers, shares similar sentiments.

This paper is a valuable contribution to literature and carries practitioner relevance. It contributes to the burgeoning management accounting literature by illuminating the complexities and conflicts surrounding management accountants' roles and means of addressing these apparent role contradictions. Bringing in the marketing managers' perspective regarding management accountants' role, this study fills an important yet neglected facet in the literature, for in the midst of intense competition and high customer awareness in the current business environment, marketing and management accounting interface is even more significant. Our findings are also vital as a building block for practitioners, as it illuminates the management accountants' role construction within the changing business landscape and would offer learning points for other organizations in understanding role expectations from non-finance managers, which would involve gaining awareness of ground realities of their work organizations and extending their skills beyond numerical expertise. This would facilitate mitigating the complexities and conflicts surrounding their roles. It also reminds management accounting practitioners to be

mindful of external influences impacting their roles, including the COVID-19 pandemic and how resulting complexities could be handled. The paper's findings would also be insightful for higher education institutions and professional accounting bodies in revisiting and updating their curricula and study programs suited to molding future ready management accountants.

The current paper also has theoretical merit and forms a vital addition to the ongoing dialog on theoretical pluralism. We illuminate how the dual theories, role theory and NIS provide a holistic understanding of the complexities and conflicts of management accountants' roles and make way for theory development. Although appropriate, the simultaneous use of these dual theories has escaped the focus of prior researchers. Beyond the remit of this paper, future studies could encompass more sectors. Such a more comprehensive coverage can pave the ways to capture broader dimensions of management accountants' roles. Another avenue for future scholarly inquiry would be to explore the role of management accountants as an in-depth single case study and use multiple case studies, which would enable cross-case comparisons.

## Notes

1. Non-finance managers are personnel working in different divisions of an organization, spanning operations, marketing, etc., other than the accounting/finance division. In carrying out their tasks non-finance managers engage in significant inter-relationships and work involvements with management accountants and the finance team.
2. While the designations of those involved in management accounting work differed across organizations, interviews were conducted with finance managers or management accountants, based on the particular organizations.

## References

- Ahrens, T. and Chapman, C.S. (2000), "Occupational identity of management accountants in Britain and Germany", *European Accounting Review*, Vol. 9 No. 4, pp. 477-498, doi: [10.1080/09638180020024070](https://doi.org/10.1080/09638180020024070).
- Ahrens, T. and Chapman, C.S. (2006), "Doing qualitative field research in management accounting: positioning data to contribute to theory", *Accounting, Organizations and Society*, Vol. 31 No. 8, pp. 819-841, doi: [10.1016/j.aos.2006.03.007](https://doi.org/10.1016/j.aos.2006.03.007).
- Burns, J. and Baldvinsdottir, G. (2005), "An institutional perspective of accountants' new roles – the interplay of contradictions and praxis", *European Accounting Review*, Vol. 14 No. 4, pp. 725-757, doi: [10.1080/09638180500194171](https://doi.org/10.1080/09638180500194171).
- Byrne, S. and Pierce, B. (2007), "Towards a more comprehensive understanding of the roles of management accountants", *European Accounting Review*, Vol. 16 No. 3, pp. 469-498, doi: [10.1080/09638180701507114](https://doi.org/10.1080/09638180701507114).
- Byrne, S. and Pierce, B. (2018), "Exploring management accountant's role conflicts and ambiguities and how they cope with them", *Qualitative Research in Accounting and Management*, Vol. 15 No. 4, pp. 410-436, doi: [10.1108/QRAM-11-2016-0083](https://doi.org/10.1108/QRAM-11-2016-0083).
- DiMaggio, P.J. and Powell, W.W. (1983), "The iron cage revisited; institutional isomorphism and reality in organizational field", *American Sociological Review*, Vol. 48 No. 2, pp. 147-160, doi: [10.2307/2095101](https://doi.org/10.2307/2095101).
- DiMaggio, P.J. and Powell, W.W. (1991), *The New Institutionalism in Organizational Analysis*, University of Chicago Press, Chicago.
- Fadhilah, A., Harahap, S.N. and Setyaningrum, D. (2015), "Investigating the role of management accountants in Indonesia", *International Research Journal of Business Studies*, Vol. 8 No. 2, pp. 81-96, doi: [10.21632/irjbs.8.2.81-96](https://doi.org/10.21632/irjbs.8.2.81-96).

- Heinzelmann, R. (2018), "Occupational identities of management accountants: the role of the IT system", *Journal of Applied Accounting Research*, Vol. 19 No. 4, pp. 465-482, doi: [10.1108/JAAR-05-2017-0059](https://doi.org/10.1108/JAAR-05-2017-0059).
- Hopper, T. (1980), "Role conflicts of management accountants and their position within organizational structures", *Accounting Organizations and Society*, Vol. 5 No. 4, pp. 401-411, doi: [10.1016/0361-3682\(80\)90039-2](https://doi.org/10.1016/0361-3682(80)90039-2).
- Hoque, Z., Covalleski, M.A. and Gooneratne, T. (2013), "Theoretical triangulation and pluralism in research methods in organizational accounting research", *Accounting, Auditing and Accountability Journal*, Vol. 26 No. 7, pp. 1170-1198, doi: [10.1108/AAAJ-May-2012-01024](https://doi.org/10.1108/AAAJ-May-2012-01024).
- Institute of Management Accountants (2019), "IMA management accounting competency framework", available at: <https://www.imanet.org/-/media/590889ef44ad401bb94d83cd43e584b8.ashx?la=en>.
- Irvine, H. and Gaffikin, M. (2006), "Getting in, getting on and getting out: reflections on a qualitative research project", *Accounting, Auditing and Accountability Journal*, Vol. 14 No. 1, pp. 115-145, doi: [10.1108/09513570610651920](https://doi.org/10.1108/09513570610651920).
- Kahn, R.L., Wolfe, D.M., Quinn, R.P., Snoek, J.O. and Rosenthal, R.A. (1964), *Organizational Stress: Studies in Role Conflict and Ambiguity*, John Wiley, New York.
- Katz, D. and Kahn, R.L. (1978), "The social psychology of organizations".
- Lambert, C. and Sponem, S. (2012), "Roles, authority and involvement of the management accounting function: a multiple case-study perspective", *European Accounting Review*, Vol. 21 No. 3, pp. 565-589, doi: [10.1080/09638180.2011.629415](https://doi.org/10.1080/09638180.2011.629415).
- Mack, S. and Goretzki, L. (2016), "How management accountants exert influence on managers – a micro level analysis of management accountants' influence tactics in budgetary control meetings", *Qualitative Research in Accounting and Management*, Vol. 7, doi: [10.1108/QRAM-07-2016-0058](https://doi.org/10.1108/QRAM-07-2016-0058).
- Marchant, G. (2013), "Management accounting in the 21st century: a profession for which the time has come", *Journal of Applied Management Accounting Research*, Vol. 11 No. 2, pp. 1-4.
- Morales, J. (2019), "Symbolic categories and the shaping of identity - the categorisation work of management accountants", *Qualitative Research in Accounting and Management*, Vol. 16 No. 2, pp. 252-278, doi: [10.1108/QRAM-06-2018-0040](https://doi.org/10.1108/QRAM-06-2018-0040).
- Nielsen, S. (2018), "Reflections on the applicability of business analytics for management accounting – and future perspectives for the accountant", *Journal of Accounting and Organizational Change*, Vol. 14 No. 2, pp. 167-187, doi: [10.1108/JAOC-11-2014-0056](https://doi.org/10.1108/JAOC-11-2014-0056).
- Oppi, C. and Vagnoni, E. (2020), "Management accountants' role and coercive regulations: evidence from the Italian health-care sector", *Qualitative Research in Accounting and Management*, Vol. 17 No. 3, pp. 405-433, doi: [10.1108/QRAM-02-2019-0040](https://doi.org/10.1108/QRAM-02-2019-0040).
- Opute, A.P. and Madichie, N.O. (2017), "Accounting-marketing integration dimensions and antecedents: insights from a frontier market", *Journal of Business and Industrial Marketing*, Vol. 32 No. 8, pp. 1144-1158, doi: [10.1108/JBIM-10-2016-0246](https://doi.org/10.1108/JBIM-10-2016-0246).
- Parker, L.D. (2002), "Reinventing the management accountant", *CIMA*, available at: [http://testsecure.cimaglobal.com/Documents/Thought\\_leadership\\_docs/VisitingProfessor/tech\\_presnot\\_reinventing\\_the\\_management\\_accountant\\_mar02.pdf](http://testsecure.cimaglobal.com/Documents/Thought_leadership_docs/VisitingProfessor/tech_presnot_reinventing_the_management_accountant_mar02.pdf).
- Pierce, B. and O'Dea, T. (2003), "Management accounting information and the needs of managers", *The British Accounting Review*, Vol. 35 No. 3, pp. 257-290, doi: [10.1016/S0890-8389\(03\)00029-5](https://doi.org/10.1016/S0890-8389(03)00029-5).
- Rouwelaar, H., Bots, J. and Loo, I.D. (2018), "The influence of management accountants on managerial decisions", *Journal of Applied Accounting Research*, Vol. 19 No. 4, pp. 442-464, doi: [10.1108/JAAR-10-2016-0101](https://doi.org/10.1108/JAAR-10-2016-0101).
- Siegel, G. and Sorensen, J.E. (1999), *Counting More Counting Less: The 1999 Practice Analysis of Management Accounting*, Institute of Management Accountants, New Jersey.
- Silverman, D. (2000), *Doing Qualitative Research: A Practical Handbook*, Sage, Thousand Oaks, CA.

---

Wolf, T., Kuttner, M., Feldbauer-Durstmüller, B. and Mitter, C. (2020), "What we know about management accountants' changing identities and roles – a systematic literature review", *Journal of Accounting and Organizational Change*, Vol. 16 No. 3, pp. 311-347, doi: [10.1108/JAOC-02-2019-0025](https://doi.org/10.1108/JAOC-02-2019-0025).

Management  
accountants'  
roles

**Corresponding author**

Tharusha Gooneratne can be contacted at: [tharushng@dac.cmb.ac.lk](mailto:tharushng@dac.cmb.ac.lk)

**93**

---

---

For instructions on how to order reprints of this article, please visit our website:

[www.emeraldgroupublishing.com/licensing/reprints.htm](http://www.emeraldgroupublishing.com/licensing/reprints.htm)

Or contact us for further details: [permissions@emeraldinsight.com](mailto:permissions@emeraldinsight.com)