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PROFESSIONALIZATION OF CONTROLLERS IN FINLAND

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1 INTRODUCTION

1.1 Background for the thesis

Professionalism in the twenty-first century is a significant phenomenon as large organizations employ thousands of professionals, and generate multi-million revenues. A well-known example of such trend is the dominance of the Big Four auditing firms in their sector. (Muzio & Kirkpatrick 2011.) Recent developments in technology, the emergence of knowledge economy, and the growing importance of knowledge-based work have led to the emergence of new expert occupations, which seek to claim the status of a legitimate profession (Muzio, Hodgson, Faulconbridge, Beaverstock & Hall 2011a; Gorman & Sandefur 2011).

Professionalism has traditionally established itself as the logical means of organizing expert work. It has emerged as a significant occupational strategy providing the dominant principle and form of organizing and controlling expert knowledge and skill. (Reed 2007.) Literature has portrayed professions as a special category of occupations that possesses exclusive rights over their domain of expertise. Professions gain control in the labor market by occupying a special institutional position called a market shelter. This position implies that professions are able to fend off competitors and intervening third parties from their domain of expertise and control the entry of new members to their profession. Once an occupation achieves a market shelter, they are able to control the supply and demand of people who can practice the profession and the content of the services they provide. (Freidson 1994.)

Professions base their existence on claims of expert knowledge. Their expertise is founded on a specialized body of knowledge that is often scientifically grounded on abstract, formal principles, concepts, and theories. Professional work involves applying this formal knowledge base to concrete problems requiring the professional to use discretionary judgment and tacit knowledge in order to solve them for their clients' benefit. (Abbott 1988; Freidson 2001.) Profession has achieved control over its expert knowledge base once the society recognizes its expertise and gives it exclusive rights to determine the content of their expertise and knowledge. Once they are bestowed these rights, professions are able to dictate the practice in their field without anyone else having the authority to interfere with their activities (Gorman & Sandefur 2011). Professions, therefore, are privileged to a high degree of autonomy in their work with respect to their professional judgments and decisions. (Freidson 1984.)

In addition to having an exclusive knowledge base, what actually differentiates professions from other occupational groups is their self-regulating property. Professional institutions monitor the educational requirements of its members, award licenses, con-

trol the practice, and discipline members in cases of malpractice. These aspects of internal regulation are guarded by professional associations in order to prevent excessive and unnecessary state intervention and protect their autonomy. Mutual trust and confidence between professions and clients as well as between professions and the state are a prerequisite for professions to be in charge of their own affairs. (Evetts 2011.) Professions have historically been associated with high social status, prestige, and power, which have intrigued researchers to uncover the characteristics and processes through which professions acquire, maintain, and lose power (Leicht & Fennell 2001).

The process, during which the producers of specialized services, i.e. professions, seek to create and control the market for their expertise, is referred to as professionalization in literature. By creating a monopoly over a field of work, professions are able to control who can produce their services, and how those services are produced. Hence, they are able to control the supply and demand of their services. (Freidson 1994.) Professionalization can be understood as an ongoing process of negotiations between an occupation and other relevant actors in a field (Burrage, Jarausch & Siegrist 1990). The purpose of these professionalization projects is to turn scarce resources, such as knowledge and skill, into an institutionalized system of financial and social rewards (Larson 1977).

Although literature has described successful professionalization projects by a number of different occupations, some, despite attempts, have never succeeded in achieving the status of a profession. One of these cases is consulting, which has so far failed in its professionalization projects due to a number of reasons related to its elusive knowledge base, and fragmented industry structure (McKenna 2006; Muzio, Kirkpatrick & Kipping 2011b). Another occupational group that has yet to professionalize are management accountants. They increasingly work under the title of controller in Finland (Granlund & Lukka 1998). Controllers have not been able to gain control over the supply of practitioners in their field or regulate the practice in their market. The lack of occupational closure is reflected in permeable boundaries to the occupation, in the absence of mandatory training credentials, and the lack of a professional association (Muzio et al. 2011a). As a comparison, their close colleagues, auditors, have been able to solidify their status as an established profession similar to doctors and lawyers (see e.g. Cooper & Robson 2006). Whether controllers have attempted or made any efforts towards becoming a profession is unlikely.

There is, however, a case to be made for professionalization – the benefits gained from becoming a profession are extensive. Autonomy, increased financial rewards, raised social status, and recognition are only some of the properties that established professions possess. In addition, the discourse of professionalism is both appealing and powerful. Occupational groups use the discourse of professionalism to establish their occupational identity, develop their image, and use it to negotiate advantages for them-

selves. The ideal of dedicated service and autonomous decision-making is a large part of the appeal of professionalism, which makes it attractive to aspiring occupational groups. The discourse of professionalism is also a way of improving the occupation's status and rewards. (Evetts 2011.) Because of the compelling ideology behind professional work, the idea of becoming a profession has appealed to many occupational groups (Muzio et al. 2011b). This reasoning indicates that professionalization is a goal that most occupations would aspire to achieve.

There has been much discussion in literature about the changing role of controllers towards a more business-oriented role in organizations (see e.g. Granlund & Lukka 1998 and Järvenpää 2001). The growing importance of organizations being able to detect changes in their operating environment, and respond to them quickly has created an urgent need for organizations to produce and analyze information in order to stay competitive in the markets. Controllers actively take part in strategic planning, decision-making processes, and change projects (Russell, Siegel & Kulesza 1999). This indicates that as producers and analyzers of information for decision-making purposes, controllers' importance and value in organizations should be augmenting. The demand for cost reduction and budget-consciousness in organizations (Goodrick & Reay 2011) should have an enhancing effect on the role of the controller.

Controllers have been introduced with a burst of new techniques in recent years that fall within their field of expertise, such as activity-based costing (ABC), balanced scorecard (BSC) and so forth (Ahrens & Chapman 2000). These new, business-oriented management accounting techniques have come to enhance the image and relevance of controllers in organizations (Friedman & Lyne 1997). As the role of controllers in organizations has made significant steps forward, it would be reasonable to assume that controllers would be inclined to solidify their status through the process of professionalization. There are indications that controllers could possess many of the properties and qualities that are generally associated with professions. The purpose of this paper is to find out what these properties are and what are the reasons behind the fact that controllers in Finland have so far failed to professionalize.

1.2 Objective and limitations of the thesis

This study will concentrate on the professionalization of controllers in Finland. The decision to restrict the field of analysis into a single country was made to keep the scope of the study within reasonable limits. In addition, the institutional environment in which professionals operate is predominantly nation-specific (see e.g. Goodrick & Reay 2011 and Lounsbury 2007), varying from country to country making the adoption of a wider perspective on the issue difficult to manage. However, in order to reflect the profession-

alization activities of controllers in Finland, the state of affairs in the United Kingdom will be used as a point of reference in this study. The presupposition of this study is to assume that controllers have not been able to professionalize in Finland.

The purpose of this study is to examine the occupation of controllers and find out how controllers perceive themselves and their work as members of a distinct occupational group, and what kind of properties and features they possess. These traits will be compared to those generally associated with professions in order to examine the possibility and the premises of a professional project. By studying the occupation of controllers, the aim is to discover the promising domains and the obstacles of the occupational group on its way to professionalization. Finally, this paper attempts to offer an explanation to why controllers in Finland have not professionalized. The research questions are formulated as follows:

- What kind of properties and qualities the occupation of controllers possesses in Finland?
- What are the promoting and hindering aspects of the occupational group in relation to professionalization?
- Why controllers in Finland have not professionalized or attempted to do so?
- Why is the professionalization project of controllers in the United Kingdom much further?

No distinction is made between a business controller and a financial controller. Management accountant and controller will be used interchangeably in this study.

1.3 Research methodology and methods

The research methodology in this study is qualitative. Qualitative research allows the researcher to focus on the complex nature of the phenomenon under study in the context it takes place (Eriksson & Kovalainen 2008). When the objective of the study demands a thorough penetration into a phenomenon, qualitative methods are the most suitable (Ghauri, Grønhaug & Kristianslund 1995). For research problems that focus on revealing a person's experiences or behavior and for studying organizations, groups and individuals, qualitative research methods are befitting, because they are exploratory and flexible (Ghauri et al. 1995; Corbin & Strauss 2008; Ghauri & Grønhaug 2005). They are also appropriate when the research tries to understand a phenomenon with little or no prior knowledge as they can lead to hypothesis building and explanations (Corbin & Strauss 2008). Since the phenomenon studied in this paper has not been studied in the case of controllers, qualitative research is particularly suitable.

This study will be conducted as an exploratory research. Exploratory research is suitable for research problems where there are few earlier studies to refer for information

about the problem. The aim of exploratory research is to uncover patterns, ideas, or hypotheses as opposed to testing an existing one. The focus is on gaining familiarity and understanding about the subject and the researcher will evaluate, whether existing theories can be applied to the research problem or if new ones need to be developed. The approach to the research is typically very open and concentrates on gathering a wide range of information and insights. Exploratory research rarely provides conclusive answers to research problems, but it gives guidance on the direction of future research. (Collis & Hussey 2003.)

Semi-structured interviews will be the primary method of inquiry used in this study as they are a suitable method for exploratory and inductive types of study. This line of inquiry gives the researcher a framework of themes to inquire about, but at the same time, it allows flexibility to ask new questions as they come up during the interview process. (Ghauri et al. 1995.) Interviewing provides a way of generating empirical data about a phenomenon by asking people to talk about their lives (Holstein & Gubrium 2004) and, in this case, about their work and occupation. The advantage of in-depth interviews is that the researcher is able to construct a representation about the interviewee's standpoints or attitudes, which is made possible by allowing the interviewee to answer liberally according to his or her own assessment. These types of interviews also work well, when studying complicated or sensitive issues, since the interviewer can ask for further elaboration about the matters. (Ghauri et al. 1995.)

Research will be carried out by interviewing controllers with different amount of experience working in diverse organizations and in different fields. By talking to controllers from different backgrounds, one is able to get a broader view of the subject and find out if there is uniformity in the way controllers perceive themselves and their occupation. The purpose of these interviews is to gain a perspective on controllers' way of thinking about themselves as professionals, and find out if controllers possess properties that are considered as essential elements of a profession. Other data in this study will be collected from documents from the Chartered Institute of Management Accountants (CIMA) and prior literature will play a major part in this study.

1.4 Structure of the thesis

The rest of the paper is structured as follows. The next chapter reviews the literature on controllers and describes what controllers actually do, what their roles in organizations are, and what kind of knowledge and skills they possess. The third chapter introduces the relevant literature on professions and gives the reader an overview of the properties and qualities that are considered as essential elements of professions. The different types of professions in contemporary economy are also presented.

The fourth chapter reviews the literature on professionalization and presents a framework of the relevant actors in this process. Possible obstacles to professionalization are presented, and the growing relevance of organizations in professionalization activities is discussed. The fifth chapter presents the findings from this study, and the sixth chapter analyzes the results. The final chapter summarizes and concludes.

2 CONTROLLERS – STRATEGIC BUSINESS PARTNERS OF ORGANIZATIONS

2.1 Management accounting as the formal knowledge base

In Finland, accounting is typically separated into two parts: financial accounting and management accounting (Riistama & Jyrkkiö 2004). Financial accounting focuses on external reporting, which is regulated by generally accepted accounting principles, and provides information for stakeholders outside the company. The purpose of financial accounting is to satisfy external regulatory and legal reporting requirements. (Horngren, Foster & Datar 1997.) Management accounting measures and reports financial information as well as other types of information for internal purposes – managerial decision-making and organizational control – helping managers to fulfill organizational goals (Horngren et al. 1997; Riistama & Jyrkkiö 2004).

The Institute of Management Accountants has defined management accounting as follows:

“Management accounting is a profession that involves partnering in management decision making, devising planning and performance management systems, and providing expertise in financial reporting and control to assist management in the formulation and implementation of an organization’s strategy” (Definition of Management Accounting 2008).

The definition was revised to better reflect the changing role of management accountants from transaction and compliance orientation towards being strategic business partners (Definition of Management Accounting 2008). Controllers’ changing role will be dealt with more profoundly later in the chapter. One of the most important components of management accounting is the formulation and implementation of strategy in order to make the business succeed. It also implies the expanding role of management accountants in formulating and implementing strategy (Definition of Management Accounting 2008).

According to Horngren et al. (1997) management accounting is concerned with the following purposes:

- Formulating long-range plans and strategies
- Resource allocation
- Cost planning and cost control
- Performance measurement and employee evaluations.

Innovations in the field of strategic management accounting involve techniques for cost management and performance measurement, in particular. The underlying idea behind cost management is to control costs by analyzing cost objects, set targets for

them, and carry out measures in order to improve cost-efficiency. Management accounting techniques for cost management are activity-based costing, life cycle costing, and target costing, just to name a few. Performance measurement has become of increased importance for organizations in defining, controlling, and managing critical success factors. Traditionally, the focus in performance measurement has solely depended on financial measures. Increasingly, however, non-financial measures are included in the analysis. (Partanen 2001.)

2.2 Job description

According to Bragg and Roehl-Anderson (2011) controller can be compared to a ship's navigator that warns the captain of current or upcoming problems that lie ahead in the business environment. It is the controller's task to make sure that the company has planned a route to its profit goal, and offer advice along the journey to this goal (Blazek 1994). Horngren et al. (1997) define controller as the chief management accounting executive, who is in charge of both management accounting and financial accounting. Sathe (1983) divide controller's major responsibilities into two: supporting the management and carrying out financial reporting and internal control procedures. The former refers to the task of helping the management team in decision-making processes, and the latter to ensuring the accuracy of financial information and the conformity of internal control practices to corporate policies (Sathe 1983).

Controllers perform three important functions (Horngren et al. 1997):

- Scorekeeping
- Attention directing
- Problem solving.

Scorekeeping and attention directing functions focus on compliance reporting and control, whereas the problem-solving function focuses on providing line managers with relevant information for decision-making purposes (Lambert & Sponem 2012). Scorekeeping refers to accumulating and analyzing data, and reporting the results to the management. Attention directing comprises of making both opportunities and problems visible to managers, on which they need to focus. Problem solving refers to identifying the best courses of action in relation to the organization's goals. (Horngren et al. 1997.)

One of the controller's traditional roles involves being the watchdog and a scorekeeper in the organization. This task refers to monitoring procedures, such as budgeting and measurement practices, which are essential in guaranteeing that organizational goals and the vision of the company are fulfilled. (Järvenpää 2001). Budgeting, financial analyses, profitability analyses, cost management, and performance measurement are only a few of the scorekeeping procedures and practices that controllers perform in

their everyday work. In his study, Mattson (1987) found that annual budgeting and reporting was part of every controller's job description. In addition, the majority was required to produce different types of calculations, including profitability analyses and investment calculations. (Mattson 1987).

Perhaps one of the most important tasks of the controller is the production and analysis of information for decision-making purposes. The controller should be able to find, produce, and select the kind of information that is relevant and useful to the management's needs. In order to create the most value, controllers should be included as members of the management team. (Järvenpää 2001.) As a part of the management team, the controller takes part in the decision-making process by preparing the matters to be discussed in meetings and directing attention to the issues he or she considers important. (Partanen 2001.)

In addition to the senior management, the controller needs to support the line managers, present them with new ideas, as well as question their decisions (Partanen 2001). The controller should not just produce information, but communicate it effectively to the management and the organization as a whole. It is the controller's task to promote profit consciousness and distribute financial knowledge inside the organization. (Järvenpää 2001.) Beyond those tasks, the controller is involved in decisions about marketing, pricing, distribution, and other areas of the business as well. (Sathe 1983).

The controller takes part in designing and planning the strategy for the company (Partanen 2001). Russell et al. (1999) reported a significant shift in the work activities of financial professionals from traditional accounting work activities to newer, more value-added tasks that did not use to belong to the realm of management accounting. This shift is also evident in Mattson's (1987) study, in which about half of the controllers took part in strategic decision-making, and fewer than fifty percent took part in bookkeeping, preparing financial statements, and administrative tasks. Since the study was conducted in 1987, the figure ought to have decreased, because, at the time, there were already indications that controllers quite actively take part in strategic planning and their work mostly takes place in budgeting, reporting, and preparing financial analyses. Fern & Tipgos (1988) also found that controllers actively participate in their company's strategic planning processes, and the authors predicted that the strategic involvement would increase in the future.

In their study, Russell et al. (1999) found that management accountants believe that they will spend less time in the future on traditional management accounting tasks and, instead, tasks such as planning and analyzing, partnering and consulting management's decisions, being involved in operations and information systems, and carrying out performance evaluations, will consume the majority of time in the future. Partanen (2001) also found that controllers' responsibilities extend to participating in information systems development as well as speeding up reporting schedule, and adjusting reporting

procedures to organizational changes. More time is spent on internal consulting, long-term strategic planning, information systems and operations, managing the accounting function, improving processes, and performing financial analyses (Fern & Tipgos 1988).

2.3 The expanding role

2.3.1 *The bean counter*

Accountants have long been associated with a stereotypical image of a bean counter. They have been regarded as a group of people, who are obstinate over precision and form in preference to content. They are monotonous, methodical, and conservative, who persistently and meticulously 'count beans'. Although, this bean counter image traditionally has been linked to financial accountants, it applies to management accountants as well. (Friedman & Lyne 1997.) Friedman and Lyne (1997, 20) define the concept of a bean counter as follows:

“An accountant who produces financial information which is regarded as of little use in efficiently running the business and, as a result, its production has become an end in itself”.

In their study, Friedman and Lyne (1997) found that line managers referred to bean counters, who did not understand the business at all and only viewed the business through accounting numbers. They did not trust the information provided by the accounting department, because it did not match their intuitive perception of the business. The bean counter label has a quite negative cling to it (Friedman & Lyne 1997) and the cross-functional appreciation of bean counters is minimal within organizations (Granlund & Lukka 1997).

Bean counters are mainly concerned with writing accurate and correct financial history by responding to formal reporting needs (Granlund & Lukka 1997). Their focus is on analyzing typical financial information and producing formal financial reports (Järvenpää 2001). Bean counters collect and process information that emphasizes the past and has a degree of formality in it. Their communication is limited to the accounting department and to written reports provided to those outside the department. (Granlund & Lukka 1997.)

Literature has taken notice of this 'lost relevance' of management accounting and the inability of management accounting to provide relevant information for decision-making purposes, and warned that without any changes, the management accounting

profession may jeopardize its status and lead itself to the depreciation of the accounting profession (Johnson & Kaplan 1987).

2.3.2 *The business partner*

Recent studies have reported that the traditional bean counter image of management accountants as bean counters seems to be dying out (see e.g. Granlund & Lukka 1997, 1998; Friedman & Lyne 1997; Järvenpää 2001; Vaivio & Kokko 2006). Management accountants have recognized the issue of providing information that is impractical and detached from the business. Increasing competition, rapidly changing markets, globalization, and customer demand have created a need for businesses to react faster and adapt to market changes quickly (Burns, Ezzamel & Scapens 1999). In addition, these changes have created a need for real-time, forward-looking information (Granlund & Lukka 1998) to be able to stay competitive in the markets. Demand to be more customer-oriented and to create information that is relevant and strategically useful for the business has put pressure on management accountants to evolve their role from bean counters towards business-orientation (Granlund & Lukka 1998).

Innovations in the field of management accounting (e.g. strategic management accounting, activity-based costing, life cycle costing, competitor accounting, customer profitability analysis, non-financial measures, balanced scorecard, and target costing), and the decentralization of management accounting function have helped controllers to shake off their bean counter image (Friedman & Lyne 1997). Friedman and Lyne (1997) found that the implementation of a modern ABC system weakened line managers' image of controllers as providers of useless information, because they would now trust the information that the management accountants provided. New management accounting techniques for decision-making and control have helped to accelerate the business-orientation of controllers (Järvenpää 2001). The creation of a decentralized controller function has also had an impact on raising the appreciation of controllers as their work takes place closer to the business itself (Granlund & Lukka 1997). In addition, developments in information technology, implementation of modern control systems, and software empowerment have promoted the business orientation of management accountants (Järvenpää 2001).

Whereas the bean counter's emphasis in analyses was on the past, the business-oriented controller's orientation is on real-time information on the present and the future. The bean counter went the extra mile to make sure that his numbers were precise, but the business-oriented controller is more concerned that his figures are in the ballpark, and not spend time splitting hairs with them. The modern controller takes part in organizational decision-making by stating opinions based on his or her special financial

knowledge. The controller can also be considered as a change agent in the sense that he pursues not only produce analyses and give recommendations, but also actively affect decisions made by the management. (Granlund & Lukka 1997.)

The expanding role of controllers is depicted in Figure 1. The arrow represents the direction of change in controller's job description moving from the bottom up. The bottom two dimensions describe the roles – historian and watchdog – played by the traditional bean counter controller. These roles are the bases of all accounting despite other roles that emerge further down the line. (Granlund & Lukka 1997.)

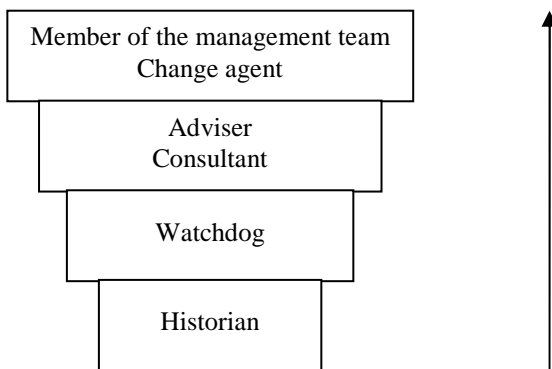


Figure 1 The expansion of the controller's job description (Granlund & Lukka 1998).

The next two levels depict the roles played by the business-oriented controller working as an adviser and a consultant and being a member of the management team as well as a change agent. The figure depicts the expanding of controller's job description, implying that the traditional roles of historian and watchdog are still present in contemporary controller's work despite the emergence of new roles. (Granlund & Lukka 1997.) Thus, a typical controller can be seen as both a bean counter and a business collaborate (Lambert & Sponem 2012).

2.4 Skills and competencies

As controllers' role in organizations is expanding, so are the skills and competencies required to fulfill new responsibilities. Excellent technical skills and knowledge of accounting and finance remain an essential part of any controllers work for fulfilling the scorekeeping and watchdog roles of management accounting (Järvenpää 2001). Analytical skills, being able to produce and analyze information as well as having expertise in modern accounting innovations and information technology continue to be crucial

components in controllers' competence requirements. (Järvenpää 2001; Bragg & Roehl-Anderson 2011; Byrne & Pierce 2007.) Business-oriented controllers are required to have a thorough understanding of the business, in addition to having the technical knowledge of financial analysis.

In addition to the hard, technical skills, controllers are increasingly required to have soft, interpersonal skills (Byrne & Pierce 2007). Communication and language skills as well as the ability to cross professional and functional boundaries are a necessity for a business-oriented controller working in a decentralized management accounting function (Järvenpää 2001). A modern controller should be able to work in a team, be accessible, and possess both aggression and politeness in order to bring matters into conclusion (Byrne & Pierce 2007). High commitment, integrity, confidence, and leadership characterize an ideal controller. (Järvenpää 2001.)

Extensive knowledge of the business and understanding of the organization and its needs are increasingly being required from controllers (Järvenpää 2001; Byrne & Pierce 2007). A competent controller is able to see the forest from the trees and the overall picture behind the numbers. In a constantly changing business environment, the need for continuous improvement is fundamental for survival. The ability to change, lead change and continuously develop his job, organization, and systems are becoming an integral part of the competencies of controllers as they increasingly partake in change projects. (Järvenpää 2001.)

2.5 The controller function

Traditionally, accounting has been organized as a centralized function in Finnish organizations; however, recent trend has been towards the decentralization of the management accounting function. It is postulated that management accountants should work near the operations in order to be closely involved with the business itself as opposed to being confined to a restricted department. The decentralized management accounting function is increasingly being referred to as the controller function. (Granlund & Lukka 1997, 1998.) In a larger company, there may be several different levels of controllers, including corporate and divisional controllers as well as plant controllers. Usually, controller reports to the most senior executive on site, whether it is plant manager, division president or Chief Financial Officer. (Bragg & Roehl-Anderson 2011.) This implies a strong organizational position and importance in organizational hierarchy for controllers, as they are answer to the most senior executive.

The controller function is a support function, whose main goal is to serve both line managers and the top management. When the controller reports to operational managers, he or she is much more involved with the local decision-making processes. On the

other hand, when reporting to the top management, the controller has greater independence in relation to the line management. (Lambert & Sponem 2012.) This position implies a very complex position, where the controllers are required by the top management to control others, but are also being controlled themselves. Controllers have to sell their services to the top management, and at the same time sustain a good relationship with the line managers. (Mouritsen 1996.)

The controller function's authority is restricted to its ability to provide information and advice to operational managers (Lambert & Sponem 2012). The influence of the controller function is indirect as it is involved in organizational decision-making and business matters laterally by affecting information and material flows. Controllers cannot make decisions in line functions on their own, but their role as an informational center gives them power to affect organizational activities. (Mouritsen 1996.)

The controller function reports to the top management on the state of operating activities (Mouritsen 1996). Eighty-four percent of controllers work in direct interaction with top management (Mouritsen 1996), which implies a strong organizational position for the controller function. It is involved in organizational affairs and decision-making in line functions by the authority of its close relationship with the top management. Controllers typically are empowered to take part in line functions' activities and decision-making processes in situations, where they represent a top management perspective. (Mouritsen 1996.)

Having to serve two distinct groups – the line managers and the top management – implies a very difficult position for controllers to be able to manage both responsibilities favorably. At the same time, controllers need to support the business and develop good relationship with the business managers, but also keep the top management informed about the situation and organizational affairs. The two groups have different objectives and expectations about the controller's role, which adds challenge to controllers' work, as they need to be able to adapt to the situation and maneuver themselves in order to serve their both client groups successfully.

3 PROFESSIONS – A SPECIAL OCCUPATIONAL CATEGORY

3.1 Introduction to professions

Controllers are an occupational group that would not be the first to come to mind when discussing professions. Doctors, lawyers, and auditors are typically the ones connected to the term ‘profession’. Professions have distinct features and characteristics that make them different from other occupational groups. When examined more closely, however, one is able to find consistencies between the features of the occupation of controllers and traditional elements of established professions. Before looking at how the traditional elements of professionalization may be applied to the case of controllers, it is worth discussing what makes a profession and what the term signifies.

Professions are a distinct category of occupations that possesses a special institutional position of being able to control their domain of expertise. Through this position, they are able to determine the content of their work, knowledge, and skill and control the practice within their field of expertise (Freidson 1994). Professional knowledge is based on theory and complex intellectual techniques. The mastery of this knowledge requires extensive training, usually in universities, which are specialized in socializing students into the symbolic system of the profession. Professional work is exceptionally valuable to society and social values, and motivated by serving the clients and the profession. Professional work is characterized by a high degree of autonomy and self-regulative rights. Members of a profession enjoy a sense of oneness within the group and are highly committed to their profession. A code of ethics guides the behavior and defines the values of the profession. (Leicht & Fennell 2001.)

Although, there is not a unanimous consensus on the definition of profession, there are, however, themes that researchers in the field agree on when discussing professions and professional work. Contemporary research on professions is prevailed by four central aspects of professionalism (Gorman & Sandefur 2011):

- Expert knowledge and education
- Autonomy and self-regulation
- Service orientation and occupational community
- Status, income, and rewards.

Each of these four important perspectives of current research on professions is discussed next in more detail. In recent years, the operating environment of professions has undergone major transformations brought on by new organizational forms, globalization of professional services, expansion of information technology, and increasing demand for efficiency, which have come to undermine the very foundations of professionalism (see e.g. Gorman & Sandefur 2011 and Goodrick & Reay 2011). Professional auton-

omy, self-regulation, and occupational identity are being profoundly challenged by these changes. Although the ideal-type professions that traditional professions literature portrays (see e.g. Freidson 2001) have presumably become extinct, the essential elements of professional work remain important in contemporary professionalism.

3.1.1 Expert knowledge and education

Professionals apply expert knowledge in their work in order to solve their clients' problems (Gorman & Sandefur 2011). Professional work involves the selection, combination, and application of techniques that are adjusted and specified to the case at hand, which makes the application of expert knowledge difficult to turn into routine work. Professions have the power and the ability to exclude others from their knowledge base, control their knowledge base, and define what it encompasses. (Abbott 1988; Larson 1977). For an occupational group, a restricted knowledge base is a crucial factor in order to monopolize and control a particular field of expertise (Muzio et al. 2011b). As Freidson (1994) puts it: "Knowledge itself does not give special power: only exclusive knowledge gives power to its possessors".

Gaining an occupational control over a field of expertise requires developing training credentials, which become the prerequisite to practice particular type of work (Freidson 2001). Training for a profession is carried out in somewhat exclusive training institutions that are usually associated with a university. These institutions have two major tasks: the production of producers, and the production of professionally relevant knowledge. (Larson 1977.) Training institutions are responsible for teaching and qualifying new practitioners to the field. Professional training emphasizes theories and abstract concepts. Practical training may be completely omitted based on a claim that professionals require the use of discretionary judgment in their work as opposed to routinely applying mechanical techniques. It is assumed that students gain the practical working experience after they graduate and commence their careers as professionals. (Freidson 2001.)

Education in independent institutes, separate from workplaces, has major implications regarding the control of expert knowledge. Because learning is carried out in an institution that is not in direct influence of the clients and employing organizations, the formal knowledge base of the profession can be entirely controlled by the training institution. It is able to standardize and control the certification of its students on its own terms. (Larson 1977; Freidson 2001.) Once the institution has the sole control over the teaching of future professionals, it is able to systemize, refine, and produce new knowledge and skill over that particular profession (Freidson 2001).

Training institutions are also responsible for formalizing expert knowledge and skills required to work as a professional in an occupational field. They are also in charge of producing, testing, and approving new knowledge and competencies. Expert knowledge is based on abstract theories and concepts, which are learned in training institutions. (Freidson 2001). Most successful professions have a knowledge base that is both compliant to codification and standardization but has a sufficient degree of abstraction, which makes it difficult for nonprofessionals to take advantage of (Jamous & Pelloile 1970). According to Larson (1977, 31), expert knowledge “must be formalized or codified enough to allow standardization and yet must not be so clearly codified that it does not allow a principle of exclusion (or discretion) to operate”. Professional knowledge must have a certain degree of ambiguity and uncertainty, which allows the professional to use his or her discretionary judgment (Freidson 2001).

It is beneficial to distinguish expert knowledge into two separate categories: abstract, formal knowledge, and tacit, experimental knowledge (Gorman & Sandefur 2011). Formal knowledge consists of information and ideas that are organized by theories and abstract concepts. Formal knowledge, which is clearly and systematically codified in texts, is taught in universities and training institutions for students. Because of its abstract nature, formal knowledge cannot directly be applied to explicit issues. Tacit knowledge, on the other hand, is based on experience and cannot be taught in schools. It is neither verbalized nor codified in textbooks. What constitutes tacit knowledge and how it is used, depends on the work and the profession applying it. (Freidson 2001). Professionals use both formal and tacit knowledge in their work in order to solve concrete problems for the benefit of their clients (Gorman & Sandefur 2011).

3.1.2 Autonomy and self-regulation

Autonomy is a concept that has widely been associated with professions. Autonomy reflects the idea that professionals should be able to make decisions concerning their work without external pressure from clients, employing organization, or anyone that is not a member of their profession. Professionals use discretionary judgment in their work, and the only ones qualified to judge their evaluations are members of the same occupation. Professional work eschews bureaucratic and administrative controls and, instead, is controlled by informal, internal mechanisms. (Hall 1968.)

Most of the time, the control over the work of professionals is enforced by those of the same profession. Therefore, there is a considerable difference between individual autonomy and occupational autonomy. (Gorman & Sandefur 2011.) Self-regulation is an essential factor in ensuring professional autonomy and control (Larson 1977), and it has traditionally been considered as one of the distinctive elements that separates pro-

fessions from other occupations (Boyd 1998). Licensed professions, that is, those professions that have exclusive, legal jurisdiction over their field of expertise, enjoy the highest degree of autonomy and self-regulative rights (Chiarello 2011).

Most of the time, self-regulation is exercised by professional associations. Professional associations have both formal and informal power to influence practice in their field. They use informal power to influence the behavior of its members, but also apply formal power to discipline their members by sanctions and even expulsion from the institution. (Freidson 1984.) Professional associations monitor the education and training requirements, award licenses, control professional practice, and discipline disobedient members (Evetts 2002). Professional associations are central actors in shaping and maintaining consensus about the boundaries, behavior, and membership within the profession. These institutions negotiate and represent their profession to other groups and instances. Professional associations also monitor their members' compliance to the rules, practices, and standards of the profession. (Greenwood, Suddaby & Hinings 2002.)

Professions practice self-regulation in order to protect their autonomy from outside regulation and intervention by the state (Evetts 2002). A well-known example of a failure in the practice of self-regulation by a profession is the case of Arthur Andersen. The collapse of one of the largest accounting companies in the world was the result of compromised professional judgment and independence by its auditors. This scandal was a failure in the professionalization project of auditors and led to increased regulation of the profession by the state authorities, including the Sarbanes-Oxley Act that followed the scandal. (Suddaby, Gendron & Lam 2009.)

Professional employees have a high tendency to oppose being controlled by others, and they have been shown to be exceptionally resistant to administrative attempts to implement new work behavior (Hekman, Steensma, Bigley & Hereford 2009). Professionals approach restricted autonomy in different ways; some comply, some resist. (Gorman & Sandefur 2011). One group conforms to changing organizational controls and policies, but at the same time, another group of professionals resists them and spends as little time on administrative tasks as possible (Hoff 1999). For example, in a study conducted by Hoff (1999), a number of doctors stated that they were trained to take care of the patients and spending time on administrative tasks, and complying with bureaucratic policies takes time away from their principal task of patient care. Administrators tend to promote organizational interests, efficiency and profitability, which conflict with the core value of professional work – producing high quality service to their clients. This conflict of interests between professional employees and administrators creates rivalry between the two groups in organizational settings. (Freidson 2001.)

Today, professional work takes mostly place in large employing organizations that exercise control over their professional employees as opposed to the administrative elite

of the profession itself. (Gorman & Sandefur 2011; Leicht & Fennell 1997.) Professionals are under increasing demand for cost containment and profit generation, which may compromise the quality of service and professional ethics. Standardization procedures, reporting demands, and practice guidelines are only a few of the control mechanisms of organizations that threaten the autonomy of professionals influencing the work conditions as well as the expert work itself. (Leicht & Fennell 1997.)

3.1.3 *Service orientation and occupational community*

The concept of service orientation in professional work is depicted by the idea that the professional works in the best interest of the client and does not exploit this arrangement (Goode 1957). Professionals are expected to serve their clients with the best of their ability and use their professional discretion and expertise for their clients' benefit. They are expected to remain loyal to their clients and not betray this trust. Professional work is founded on the fact that the problems, which professionals are required to solve, are such that the clients themselves do not know how to diagnose or treat. It is also possible that they cannot recognize that they are actually faced with a problem without consulting a professional. (Hall 1975.)

Many times, the client cannot judge the competency of a professional. This imbalance between the knowledgeable and the ignorant creates a situation, where the well-informed party may exploit the uninformed one. (Goode 1957.) Although, this situation of asymmetric information is a source of power for the professionals, it is also a justification for the special ethical responsibilities towards their clients (Gorman & Sandefur 2011). There is a great incentive for professionals to exploit this situation, but they typically do not take that path. Exploitation would inevitably lower the prestige of the profession, and expose it to stricter external intervention and control. Therefore, the community uses extensive self-regulative controls, and subjects its members to strict social control in order to protect its profession from accusations of malpractice. (Goode 1957.)

Traditionally, professions have been considered as communities of common training, socialization, career paths, working conditions as well as having a shared identity, norms, and culture (Gorman & Sandefur 2011). Professional culture differentiates the members of a profession from others, because only those inside the group understand the meanings of their symbolic system (Hall 1975). Occupational community refers to a group of people that are involved in same type of work, share the same values, norms, and perspectives in work and life in general, and whose relationship exceeds work settings (Van Maanen & Barley 1984). Hence, the members of a profession are linked by a sense of common identity and a similar view of life. They also share a common language that is only partially understood by outsiders. (Goode 1957.)

The community has informal power over its members as the rules inside the group are clear and socially enforced (Goode 1957). A code of ethics states the appropriate behavior towards the clients and colleagues by which the members of a profession must abide. The compliance to these codes is enforced both formally and informally through castigation, expulsion, and isolation from the community. (Hall 1975.) In addition, the occupational community exerts social control over its members through education and socialization processes (Goode 1957). Professional education is aimed at fortifying students' commitment and identification with their occupational community. A sense of oneness is further strengthened by the common problems that professionals face in their everyday work. Arduous entrance examinations and a long period of education are factors that increase the commitment to a career in the chosen profession. Training also socializes students into the occupational culture of the profession. Commitment, rich occupational culture, and a privileged social identity reinforce students' inclination to make a lifelong career in the profession. (Freidson 2001.)

Occupational community, with its shared identity and experiences that bring together a group of professionals of the same occupation, is being challenged by recent changes in economy. Changing working conditions and new forms of organizing work undermine the shared ethics and occupational relationships that used to allow for internal control and self-regulation within a profession. In addition, new forms of organizing work, such as multidisciplinary teams, demand collaboration from members of different occupational groups, which can weaken the assimilation of professionals with their occupational identities. (Gorman & Sandefur 2011.)

3.1.4 *Status, income, and rewards*

Typically, professions possess a high social status and prestige (Johnson 1972). Although, a high social status indicates high income and other financial benefits, it also refers to being in a position to influence social order. Professions have the power to affect change, because of their access to social, cultural, and symbolic capital. (Suddaby & Viale 2011.) Traditionally, this property of professions has been connected to their training in higher-level institutes and providing services to social elites that respect those institutes (Freidson 1994). High-status professions used to be the ones with the highest pay and power. A high status honor demanded a status-appropriate wage, which used to be a major factor in determining the high income of professionals (Collins 1990). Even today, professionals secure relatively high pay, which may be credited, in part, to licensing and educational requirements that help secure profession's occupational closure (Gorman & Sandefur 2011).

Occupational closure can be defined as follows: “Social groups formed around positions in the division of labor (i.e., ‘occupations’) construct and defend social and legal boundaries that, in turn, affect the rewards of their members” (Weeden 2002, 59). Professions set criteria for educational credentials and exclusive expertise to exclude others from their occupational knowledge base. By creating a monopoly over a field of expertise, professions limit the supply of a particular service, thus collecting rewards they would not be able to gain absent the monopoly. (Weeden 2002.)

Unions, professional associations, and governments establish boundaries to the obtainment of necessary credentials to practice a certain profession, which limit the supply of labor. Occupational closure ensures privileges for a profession at the expense of another group, whether it is customers having to pay a higher price for their services or employers having to pay larger wages for professional employees. (Weeden 2002.) Hence, there is great incentive for other occupational groups to attempt to seize control over the assets of privileged professions, which constantly need to be on guard to protect their advantages (Abbott 1988).

Weeden (2002) has differentiated four mechanisms that explain how occupational closure increases the rewards. The first mechanism is the restriction of supply. Occupational closure creates a false undersupply of individuals who are qualified to provide a particular service or perform certain work tasks. (Weeden 2002.) Restrictions to enter an occupation can be achieved through educational credentials, which certify that an individual practicing an occupation has the skills and the competence required to perform particular work tasks. Any constraints on the ability to attain these credentials shrink the amount of people that have the relevant skills to perform that particular of work. The oversupply of practitioners may lead to internal competition and result in a low average income for the profession. (Freidson 2001).

Licensure is another course of action to restrict the supply of professionals in a given occupation. (Weeden 2002.) It is an effective means to improve the economic advantages of a profession and to restrict the entry of new practitioners to the field, as it would be criminal to practice certain work without a license (Stigler 1971). Licensing implies that candidates willing to enter a particular occupation must obtain a permission to identify themselves with an occupational title and practice a particular set of work tasks. Licensure restricts the access to enter an occupation from those individuals that have not met the requirements, thus restricting the supply of practitioners in a given occupation. (Weeden 2002.) Licensure requirements lead to a lower supply of practitioners and thus higher wages for the licensed professionals (Stigler 1971).

The second mechanism that affects wages through occupational closure is the creation of demand for services provided by an occupation. However, increasing the absolute demand fails to produce extra income for the occupation, if they cannot channel the increased demand to their own products or services. (Weeden 2002). In order to suc-

ceed, the occupation must protect its jurisdictions from the intrusion of other occupational groups. (Abbott 1988). Hence, the third mechanism that has an effect on the rewards through occupational closure is the channeling of the demand for a service to a particular occupation. The final mechanism to increase rewards through occupational closure is by signaling the quality of service. Signaling is a strategy used to inform clients of the quality and level of the service provided by a profession, which induces them to pay a higher price for the services. (Weeden 2002.)

3.2 Categories of expert labor

The traditional literature on professions is heavily focused on the properties and activities of so-called liberal professions, such as doctors, lawyers, and auditors. Recently, however, research has recognized that besides the independent professions, there are other occupational groups that can be considered as professions. It is worthwhile to make a distinction between these groups, and find out what differentiates occupational groups from one another.

Reed (1996) has introduced an influential categorization of expert labor. He divides expert labor into three distinct groups: independent or liberal professions, organizational professions, and entrepreneurial professions or knowledge workers. This grouping is based on their respective knowledge bases, power strategies, and organizational forms. Each of these groups will be discussed in more detail next.

3.2.1 *Independent liberal professions*

Liberal or independent professions, such as doctors and lawyers, have historically been the most successful in their professionalization activities. Because their services are such that they can be offered to individual clients, they can practice their profession independent of organizations (Freidson 1994). Liberal professions have been able to ‘blackbox’ their area of expertise, that is, compartmentalize key aspects of their expert knowledge and techniques to make them standardized and simplified in order to gain stability, portability, generality, and legitimacy in a wide range of jurisdictions. This way, the liberal professions are able to control the possession of their occupational knowledge and skill. (Reed 1996.) Liberal professions epitomize what traditionally has been considered as a true profession and most of the research on professions is based on the study of liberal professions.

The formal knowledge base of independent professions is based upon standardized and formalized body of theory that has a sufficient degree of abstraction, but is not eas-

ily routinized. (Larson 1977; Abbott 1988). Codified knowledge base is a prerequisite for being able to standardize ‘the product’, but without a certain degree of abstraction, the field offers an easy access to outsiders and fails to create a monopoly over a field of expertise (Larson 1977). By developing and controlling their knowledge base, liberal professions have been very successful at gaining economic, political, and cultural power from their expertise (Reed 1996).

Independent professions’ power strategy is to create a monopoly over their expert knowledge base and guard their domain of expertise. Occupational closure has been a very effective strategy for liberal professions in monopolizing their field of work. The organizational form that independent professions adopt in order to claim authority over their domain of expertise is through collegiality and hierarchy. (Reed 1996.) The primary means for liberal professions’ claims to expertise in their field are informal collegial control and formal occupational control structures typically enforced by professional associations and the administrative elite of the profession itself. (Freidson 1984.)

The liberal professions have been under increasing pressure brought on by political, economic, and technological changes that are reshaping established institutions and structures (see e.g. Evetts 2011 & Muzio & Kirkpatrick 2011). Some of the authors have claimed that these changes have started the process of ‘deprofessionalization’ during which liberal professions lose control over their occupational knowledge base, and are made redundant by the state and large corporations (see e.g. Johnson 1972). Other authors argue that these changes will not lead to extinction, but to more fragmented and polarized professions, which will not remain as liberal as they were before (Freidson 1994).

3.2.2 *Organizational professions*

To a certain extent, all professions are dependent on organizations. Organizational professions are more clearly contingent upon the existence of organizations than liberal professions, for example. Organizational professions apply elements of professionalization in order to justify their power within organizations and act against the bureaucratic hierarchy of their organizations. (Larson 1977.) Organizational professions, such as managers and administrators, are unable to monopolize and control their knowledge base in the same extent as the liberal professions. Their knowledge base is not as generic and abstract as that of independent professions – rather, it is more organization-specific and localized. (Reed 1996.) Without a certain degree of abstraction, the jurisdiction these professions claim in their field of expertise is weak (Abbott 1988). Because of their indeterminate knowledge base, they cannot achieve as strong control over

their field of expertise as liberal professions and gain the position of monopoly over their expertise. (Reed 1996.)

Organizational professions have the cognitive and technical capacity to take advantage of their contingent and localized knowledge through partial occupational closure and control. The power strategy that organizational professions have at their disposal is credentialing. (Reed 1996.) In order to secure powerful and privileged positions in organizational hierarchy and control the bureaucratic machinery of organizations, these professions take advantage of their extensive organizational knowledge (Reed 1996; Muzio & Kirkpatrick 2011). Organizational professions benefit from bureaucracy and organizational rationalization, as they demand formal control systems, which are dependent on their extensive knowledge of the organization. (Reed 1996.) Although, organizational professions may have control over key organizational resources, they may also be subordinate to other occupational groups in organizational settings (Ackroyd 1996).

Over the last decades, organizational professions have clearly benefited from technical and organizational rationalization that large corporations have widely adopted (Crompton 1990). Recently, however, advances in technology and demand for cost reduction have had an impact on organizational professions as well (Reed 1996; Ackroyd 1996). Large corporations no longer depend on the organization-specific knowledge, which was once the competitive advantage of organizational professions. With the help of information technology, this knowledge can now be more easily accumulated, stored, and distributed in organizations. In addition, large organizations have adopted trends of downsizing, de-layering, lightening administrations, and rationalizing organizational hierarchy, which have taken away a large amount of jobs in the lower and middle management and support functions, which are typically occupied by organizational professions. (Reed 1996; Ackroyd 1996.)

3.2.3 Knowledge workers

Knowledge workers or entrepreneurial professions, such as business consultants and IT analysts, base their existence on esoteric and intangible knowledge base in order to claim control over their area of expertise (Reed 1996). According to Blackler, Reed and Whitaker (1993), today's competitive markets require businesses to be increasingly customer-oriented and knowledge workers are critical in this process. They base their power and control on their theoretical knowledge base. Knowledge workers have refined technical skills, which are united with problem-solving abilities and abstract reasoning, which they apply in their work. (Blackler et al. 1993). Knowledge workers' expertise relies on theoretical knowledge, analytical techniques, and tacit esoteric skills,

which are not easily incorporated into organizational practices, processes and control systems. (Starbuck 1992.)

The power strategy of knowledge workers is to defend and reinforce their expertise by specializing in complex tasks that are resistant to bureaucratization and organizational control (Reed 1996). In order to gain occupational control over their area of expertise, entrepreneurial professions adopt market-based strategies and take advantage of fashionable knowledge (Fincham 2006). Knowledge workers are typically found in domains, where the rate of change is fast, because their expertise in these fields is highly valued by employers. Knowledge workers are inclined to adopt an organic or network type of organizational form characterized by flexibility, low hierarchy, and autonomy. (Starbuck 1992.) Knowledge workers endorse a form of professionalism that is a hybrid between independent and organizational professions (Reed 1996).

As already mentioned, the liberal and organizational professions have been under severe threat brought on by the economic, political, and technological changes in recent years. However, the winners in this changing operating environment have been the knowledge workers, who have been able to take advantage of these changes by taking over new domains and enforcing their existing operating fields for the detriment of both independent and organizational professions. (Reed 1996.)

Out of the three categories of expert labor, controllers will most likely fall into the latter category. Whereas liberal professions have been able to attain a market shelter and monopolize their domain of work, controllers have not achieved that privileged position. There are no restrictions on who can practice as a controller, although the correlation between one having a degree in business studies is likely very high (Järvenpää 2001). Whereas controllers do not exert power in terms of line authority outside their own department, they do exert a force or influence by interpreting and reporting relevant data in order to help managers make better-informed decisions (Horngren et al. 1997). This indicates that, despite the lack of line authority, controllers have informal power to affect decisions. As the power of controllers does not rest upon bureaucratic credentials or formal hierarchical status, they cannot be categorized as belonging to organizational professions, which do rely on their political status and position in the organizational hierarchy.

4 PROFESSIONALIZATION – BECOMING A PROFESSION

4.1 Professional formation as a process

Professionalization is a concept used to describe the result of a successful ‘professional project’ (Leicht & Fennell 2001). Apart from signifying the outcome, professionalization may also describe the processes, by which an organized occupation makes claims to specialized knowledge and competence, obtains an exclusive right to a particular type of work, controls the training and access to the field, and determines the way the work is performed and evaluated (Freidson 1994). “The term ‘professionalization’ may designate distinguishable divergent processes, which occur within institutions of learning, the division of labor, the economic market, and areas of political and social power” (Siegrist 1990, 177). These processes lead to a higher cultural, social, and economic status and, thus, increased power for the profession as a whole and individually (Siegrist 1990).

Professionalization can be considered as a professional project that develops in time. The purpose of these projects is to attempt to transform scarce technical and cultural resources into an institutionalized and secure system of financial and social rewards. (Larson 1977.) During professionalization processes, organized occupational groups negotiate ‘occupational settlements’ over a period of time with other actors in the field (Burrage et al. 1990). A professionalized occupation is able to define a set of work tasks as their exclusive domain, and defend it against competing occupations and external influences. (Leicht & Fennell 2001). As explained in the previous chapter, occupations use occupational closure as a significant strategy to regulate the supply and demand of their services and, thus, enhance the value of their work, and gain significant economic advantages (Larson 1977).

Relevant authors take on different approaches to explaining the phenomenon of professionalization (Abbott 1988). Abbott (1988, 16) has conceptualized professionalization as follows:

“Expert, white-collar occupations evolve towards a particular structural and cultural form of occupational control. The structural form is called profession and consists of a series of organizations for association, for control, and for work. --. Culturally, professions legitimate their control by attaching their expertise to values with general cultural legitimacy, increasingly the values of rationality, efficiency, and science.”

4.2 Multi-actor model of professional formation

Burrage et al. (1990) have proposed a model of professionalization for analyzing relevant actors in professional formation. As mentioned earlier, professionalization is a process during which different groups negotiate ‘occupational settlements’ with other actors in the field. During these negotiations, different groups use various resources, tactics, and strategies in order to achieve their particular objectives. Burrage et al. (1990) define four actors involved in professionalization processes, and a fifth actor – employing organization – was later proposed by Muzio et al. (2011b) to better take into consideration the growing role of organizations in professional formation. Each of these key actors plays a role in professionalization process. The actors are (Burrage et al. 1990; Muzio et al. 2011b):

- Practicing professionals
- State
- Clients
- Universities and other training institutions
- Employing organizations.

This framework states that professionalization is interplay between these five actors. Each of these actors has particular resources, interests, and strategies, which they employ in the negotiations in order to achieve their particular objectives. All of the actions that the actors engage in depend heavily on the decisions and policies imposed on by the state. (Burrage et al. 1990.) Figure 2 below illustrates the relevant actors in the process of professionalization in the form of a pentagon.

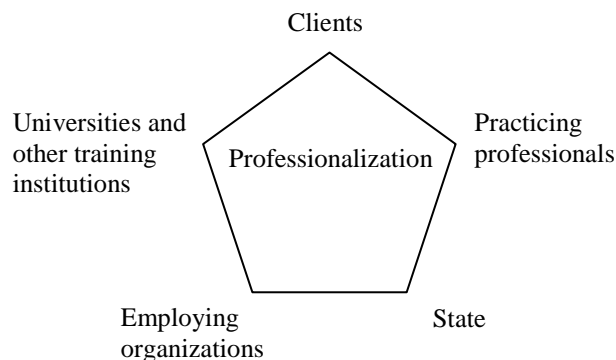


Figure 2 Actors in professional formation.

Each of the actors is more or less involved in the process of professionalization depending on the case. As the figure shows, practicing professionals are just one of the actors in the process and are heavily dependent on the other four actors in their professional projects. This framework is used for analytical purposes in order to take into con-

sideration the relevant actors involved in professionalization processes. It does not state how these different actors interact with one another or what kind of impact they have on a single professionalization process. The purpose of this framework is to consider the relevant actors in the process and analyze the relationships and impact of the actors on each other and on a particular professional project. (Burrage et al. 1990.)

4.2.1 *Practicing professionals*

Practicing professionals are, certainly, the key actors in their own professional development. They aim for self-regulation and autonomy by attempting to control the entry of new practitioners into the field and the practice of the work in their field (see e.g. Freidson 1994; Larson 1977). However, professionals cannot achieve that goal alone; they need collaboration from other actors in the field as well, but at the same time, strive to minimize the cost to their autonomy. (Burrage et al. 1990.) Occupations form alliances, arrangements, and strategic relationships with other relevant groups that can assist them in their profession projects (Suddaby & Viale 2011).

Occupations have certain resources that give them advantage in the negotiations with other actors. The first resource is organization, which Burrage et al. (1990) separates into four different types. One type of organization concentrates on the knowledge base of the profession, for example, the academy or university. They are interested in developing the knowledge base of the profession, which is the foundation of professional work. Another type of organization is interested in representing and lobbying for the profession, which is usually a professional association. One organization takes interest in looking out for its members' interest and negotiates on their behalf. Yet, another organization is in charge of regulating professional practitioners by examining and qualifying them. (Burrage et al. 1990.) These forms of organizations may overlap or be concentrated under the administration of only one organization.

The second resource that practicing professionals have at their disposal is ideology (Burrage et al. 1990). Ideology is a powerful tool for gaining political and economic resources required to establish and maintain status. The ideology of professionalism is concerned with justifying the privileged position of the profession and the status and authority of its members. (Freidson 1994.) Members of a profession are unified by a common ideology that is used by the leaders of professionalization projects and shared by all members of the occupation (Larson 1977). A profession is only an abstract notion before it evolves into an institution, that is, it only exists in the perceptions of people and not necessarily in reality. Therefore, ideology is a powerful resource that professions use to turn those perceptions into reality. A uniform ideology is crucial to group cohesion, and to gain recognition and acceptance from outside the group. Ideology is an

inspiration for the practitioners, but it also constrains them from unethical behavior. (Burrage et al. 1990.)

Controllers have not been very effective at organizing themselves at least in the Finnish context. They are not represented by a professional body, which is quite an essential establishment in looking out for their members interests and bargaining with other actors in the field for their members' benefit. This aspect of not having a representing association is quite exceptional, since Finland has a long tradition of associational activity. There are about 135000 registered associations (Yhdistysrekisteri 2013) in a country of about five million people, which is quite a large number for a small country. The freedom of association is protected by The Constitution of Finland (Yhdistysrekisteri 2013). The institutional environment is more than fertile ground for groups to organize themselves in a manner decreed and recognized by the law.

One possible reason for the lack of a professional body is the existence of another, quite powerful association, The Finnish Association of Business School Graduates (SEFE) with over 33000 members in Finland. It aims to enhance the working life and salaries of Masters of Science in Economics and Business Administration, their terms of employment, and occupational well-being (SEFE 2013). The membership for the SEFE is optional and restricted only by the degree, which one must have in order to apply for membership. The Finnish Association of Business School Graduates represents those that have obtained the qualification in question and is not a professional association that represents a particular occupational group. However, it is very likely that most controllers in Finland have a master's degree in business studies, which makes the SEFE their closest representative body. Of course, it does not work towards enhancing the status of controllers in particular, but instead for the entire group of people with the particular degree, despite the occupational group to which they belong.

This association, therefore, does not help the professionalization project of controllers on a group level, although it may improve their working conditions individually. Perhaps, if there were a professional body that was devoted to controllers exclusively, they would be more inclined to belong to an association that was more exclusive in a way. Maybe it would even enhance the identification of controllers with their occupational group and not so much with their educational background.

4.2.2 Clients

The second actors in professional formation are the clients of professional services. Clients largely dictate the type of strategy and organization professions adopt in their professionalization activities. (Burrage et al. 1990.) Clients have considerable influence on professional practice through their acquisition strategies and preferences (Muzio et al.

2011b). Each client group has different amount of power at their disposal to influence professional practice, which is the reason why professions build different kinds of relationships with different types of clients (Burrage et al. 1990).

For example, a private client is an ideal client, because it has little authority and power to influence professional practice as opposed to a private employer, which has the power to restrict the autonomy and control of professionals employed by the company by dictating their income level and working conditions. (Burrage et al. 1990.) In addition, organized, large clients are likely to demand that the quality standard is constantly high and uniform (Abbott 1988). Overall, the more general and disorganized the clientele is, the more convenient the situation is for the profession (Larson 1977).

As already mentioned in the previous chapter, experts use knowledge in their work that is difficult for their clients to judge and evaluate creating a situation of asymmetric information, of which it would be easy for professions to take advantage. This, however, would undermine the very foundation upon which professionalism rests. The thesis of service orientation and always working towards the best interest of the client is essential element in professional work. (Goode 1957.) Trust and confidence are, therefore, key aspects in the client–expert relationship, and breaking them would inevitably lead to serious consequences for the profession (Evetts 2011). Practicing professionals have been described to keep a certain distance between themselves and their clients in order to be able to remain as objective and impartial as possible in their judgments. Perhaps because of this reasoning, the client–expert relationship in literature has been described as formal, impersonal and distant. (Hall 1975.)

The clientele of controllers is internal; that is, controllers’ services are directed for people within the same organization. As already mentioned in section 2.5, the controller function is a support function implying that controllers’ work involves producing services for the business. It seems to be very organization-specific as well as position-specific for whom controllers direct their services. Whereas one controller may produce analysis and calculations for top management’s decision-making processes, another offers financial support for line managers. Some corporations, typically larger ones with several distinct divisions, may have adopted a matrix organization in which the controller may have dual reporting responsibility and serve several functions and businesses at the same time. The job description may also vary between controllers in different positions, which has a direct effect on the clientele of a particular controller.

Controller’s clients are also their colleagues whether they are higher or lower in the organizational hierarchy or on the same level. This arrangement implies that there is not a traditional, formal relationship between controllers and their clients. Instead, the relationship is cooperative, supportive and informal. Controllers work in close cooperation with their clients, which is required in order for controllers to serve their clients to the best of their ability.

4.2.3 *Universities and other training institutions*

The third actors in professionalization are universities and other training institutions (Burrage et al. 1990). The essence of a professional project is ‘the production of producers’ of professional services. This part of the process takes place in universities. Monopolized and standardized production of professionals is an indispensable step towards market control and occupational closure by limiting the number of professionals on the market. (Larson 1977; Muzio et al. 2011b.) The overproduction of producers may lead to falling prices paid for professional services or labor and cause unemployment in a group of highly trained professionals. In addition, it would endanger the social status of professionals – the security of social prestige and standards of living as well as the attractiveness of professional work. (Larson 1977).

In addition to being a producer of experts, universities are in charge of producing relevant knowledge in the field. Their main resource is the creation, maintenance, and dissemination of knowledge that professionals apply in their daily work, and the status that their degrees brings to those who have completed them. (Burrage et al. 1990.) Training institutions provide the knowledge base, and certify that the professionals with their degrees have the technical competence and ability to solve their clients’ problems. (Muzio et al. 2011b.)

Sometimes, however, the interests and goals of universities and practitioners do not coincide with one another. The training institutions may be more interested in producing new knowledge and doing high-grade research than teaching students practical skills that the administrative elite of the profession might want. The syllabus of universities may not respond well with what the professions might require and insist. Training institutions are, therefore, an important actor in the professionalization projects of occupations. (Burrage et al. 1990; Larson 1977.)

Although, there are not formal educational requirements on who can work as a controller, it would seem likely that most controllers in Finland have a master’s degree in business studies. This particular university degree can be obtained from ten different institutes of higher education in Finland (Koulutusnetti 2012). Master’s degree in economics and business administration is a respected degree and most of the time required by employers from applicants applying for controller’s positions. As research and teaching in these institutes is organized under the same establishment, they are markedly in charge of both producing new controllers to the market, and developing the knowledge base of the occupation.

4.2.4 *State*

The fourth actor involved in professionalization activities is the state. The state has the power to either hinder or advance professionalization by imposing laws and regulations. It is involved both directly and indirectly in every aspect of professional work. (Burrage et al. 1990.) Only the state has the authority to permit or impede restrictive arrangements, such as monopolies. All professionalization activities need the sponsorship of the state at some point in time. (Muzio et al. 2011b.) The importance of the state as a mediator and regulator of professional life cannot be ignored when analyzing professionalization processes of occupations (Burrage et al. 1990).

The state has the power to officially define and categorize particular type of work, to empower the structure of labor force and settle disputes within it. It also has the power to defend market shelters, recognize educational credentials, and acknowledge a professional ideology. Professions may enjoy autonomy in their own economic sector, but not in the wider society, since they are dependent on the coercive power of the state as a source of empowerment and support. (Freidson 2001.) The interdependent relationship between the state and professions has been illustrated as a 'regulative bargain', by which the state grants a particular profession autonomy and exclusivity over a field of work in return for support and assistance in order to maintain its authority and legitimacy (Robson, Willmott, Cooper & Puxty 1994).

Different nations vary significantly from one another with regards to how they choose to exercise centralized control over particular institutions, such as professions. At one end is the United States, which allows extensive autonomy to independent associations and private institutions permitting them to be in charge of their own affairs with minimal intervention (Freidson 1994; 2001). At the other end is France, for example, which has a strong central government that exercises centralized control, but still allows for independent political and economic activity (Freidson 1994). Hence, the role and influence of the state in professional formation varies from country to country, which largely dictates the degree to which the state plays a role in professionalization projects in different countries.

The Finnish government is very little involved in controllers' affairs. The state does not regulate what kinds of credentials are required from controllers in order to work as one. The state does not regulate the practice of the work of controllers, except for the legal reporting responsibility of those controllers that are in charge of financial accounting. The state of Finland does not see it as necessary to impose regulations on the practice of controllers or restrict access to the field.

4.2.5 *Employing organization*

The fifth actor involved in professionalization is the employing organization (Muzio et al. 2011b). Because most professional work takes place in organizations, the role of the employing organization is becoming increasingly important in professionalization activities (Cooper & Robson 2006). Employing organizations are significant actors and sites for professional regulation placing constraints on the autonomy of professionals (Suddaby, Cooper & Greenwood 2007).

The employing organization is, perhaps, the most significant actor in the professional formation of controllers. Controllers depend on organizations for employment and their work invariably takes place in organizations. The work of controllers is heavily dependent on and determined by the organization in which they work. The role and influence of employing organization will be discussed more elaborately in section 4.4.

4.3 Obstacles to professionalization

Despite attempts of a number of occupations to professionalize, they have been unable to gain professional closure, and acquire a market shelter and thus control the practice in their market (Kyrö 1995). Without legal restrictions, compulsory educational credentials and qualifications, barriers to market entry are low and any individual can claim to be a professional in a particular field (Muzio et al. 2011b; Glücker & Armbruster 2003). Also, the lack of a universal knowledge base, mandatory professional training, jurisdiction from the state, and a clear separation from other professions, professionalization may be implausible (Kyrö 1995). An occupation might have the outside appearance of a profession including the discourse, financial and social rewards, a formal style of interaction with clients, and project a professional image. However, without the crucial elements of professions, such as state recognition, individual accreditation, and professional liability, the chances of becoming a profession are slim. (McKenna 2006.)

A highly fragmented field of business can be a hindrance to professionalization (Muzio et al. 2011b). Undefined markets, lack of professional standards, and indistinct products lead to deficient barriers to entry to the field, where anyone can claim to provide professional services. Without the protection from educational requirements and professional standards, the client is faced with an enormous uncertainty in trying to distinguish the competent from the incompetent among a highly diversified group of professional service providers (Glücker & Armbruster 2003). Fragmented business field makes it also difficult for an occupation to develop an occupational identity and create a sense of unity among the group (Kubr 1996).

Another obstacle to professionalization arises from the knowledge base of an occupation. Knowledge is a crucial factor in permitting an occupation to regulate its work, and control the market for their expertise. (Muzio et al. 2011b.) A specialized field of expertise that is compliant to codification and standardization is an essential property of any successful profession (Kyrö 1995). The most successful professions are those that are able to ‘blackbox’ their expert knowledge, and thus control their occupational knowledge and skills (Reed 1996.) Those professions that operate in a weak knowledge field, and whose expertise is not based on a distinct body of theory will find it difficult to professionalize (Fincham 2006). Knowledge that is too elusive, vague, or perishable cannot produce portable, transferable, and testable credentials, which are required for an occupation to be able to gain control over its field of expertise. An occupation with an obscure knowledge base cannot maintain a professionalization project. (Muzio et al. 2011b.)

The above-mentioned obstacles apply to the occupation of controllers as well. They may hinder, even prevent occupational groups to succeed in their professionalization projects. The occupation of controllers is not protected by legal restrictions, educational credentials or mandatory professional training in order to shut out certain individuals from becoming a controller. Therefore, controllers have not been able to achieve a market shelter or occupational closure, which would allow them to control the practice in their field and restrict the supply of eligible controllers on the market.

Controllers may also suffer from operating in a fragmented field of business. As the organizations in which controllers work vary from one another, their job descriptions and work tasks also differ. Controllers’ responsibilities may be quite far apart depending on their organizational position, size of the company, and the industry. Inevitably, there are similarities between the work tasks of controllers in different positions, but what the controller actually does is not as evident and clear-cut as it should be concerning professionalization. The varying work tasks and responsibilities may also cause problems in identifying one as a member of a distinct, separate occupational group.

4.4 Professions in organizational settings

4.4.1 The relevance of organizations in professional development

At this point, it is useful to review literature regarding the role of organizations as a major part of professional development. Controllers are, practically always, salaried employees of different types of organizations. This occupational feature has significant impact on their professionalization activities. Most professional activity today takes

place in organizations and, as their importance as sites for professional development is increasing, the relevance of organizations in professional formation needs to be taken into account when discussing professionalization projects. (Muzio & Kirkpatrick 2011.) It has been argued in literature that the organizational dimension has become of increasing importance to professions due to recent changes in the nature of capital markets, technologies, and in the forms of state regulation, and management (Muzio & Kirkpatrick 2011).

Traditionally, the work of professions has been in the form of sole practitioners. In sole practice, the organizational controls and pressures are practically nonexistent. (Wallace 1995.) Currently, however, most professionals are employees of organizations, whose work takes place in two distinct types of organizations: professional organizations and non-professional organizations (Freidson 1984). In professional firms, most of the employees are members of the same occupational group, who share the same training, values, and socialization processes. (Suddaby et al. 2009.) The values, goals, and practices of the employing organization are aligned to correspond with those of the profession (Wallace 1995). Professional firms have more vigorously fortified traditional professional norms and values than other types of organizations have done (Suddaby et al. 2009).

On the other hand, an increasing amount of professionals is employed by non-professional firms, where professional employees represent a minority of the employees (Freidson 1984). It has been under these circumstances that the traditional literature on professions has adopted a proletarian thesis claiming that there is a clear conflict between professional ideals and bureaucracy (Goode 1957). Whereas professionalism demands extensive discretion in determining the conditions and content of work and considerable autonomy, the bureaucratic model demands efficiency, and individual discretion is compromised by organizational controls and surveillance. When professionals work in bureaucratic organizations, they become subjected to organizational goals and controls, and administration by non-professionals facing the decision of choosing between being loyal to their profession or their employing organization. Professional work in a bureaucratic organization is expected to erode professional values and ideals. (Wallace 1995.)

Recently, a new view has emerged on professions working in non-professional organizations claiming that professions have been able to adapt to changing employment situations and maintain the control and autonomy in their work. This adaptation thesis claims that professions construct barriers around professional departments attempting to mimic the working conditions and autonomy of professional organizations and match the control and discretion over their work tasks. They have been able to maintain professional norms and values and, at the same time, stay committed to their employing organizations. (Wallace 1995.) The adaptation thesis has received support in the rele-

vant literature, which indicates that there may not be a conflict between professional and organizational commitment after all (Suddaby et al. 2009).

Controllers can be considered as an occupational group that was born into organizational settings. Controllers' work revolves around bringing a financial aspect to managerial decision-making and supporting the business through their financial knowledge. This requires close interaction with the business functions and first-hand knowledge of the business. The work of controllers can thus be seen as incompatible for sole practice or work in a professional organization, because the type of work they are involved with. It could be argued that the work of controllers takes place solely in non-professional organizations, where they represent a minority of the employees. Since the controller function is a support function (Lambert & Sponem 2012), their work involves assisting the main business functions. It would be difficult to turn controllers' work into a business model that would take away the supporting aspect and turn it into a core business. This would detach controllers' work from organizational settings and allow them to work in a professional organization where the majority of the employees are controllers.

4.4.2 Challenges

There are several challenges that work in organizations may confront professions. Organizational objectives, strategies, and methods affect expert groups by changing their identities, structures, and practices. By setting achievement targets and performance indicators, organizations regulate and supersede professional practices and autonomy limiting professional discretion, and hampering service orientation. (Evetts 2011.) Especially, traditional, liberal professions are severely challenged and threatened by organizations, and they can be seen as powerless victims against the growing demand for regulation, bureaucracy, transparency, and accountability (Reed 2007).

Recent shifts in the political economy and the changing business context have generated significant changes in the professionalization of occupations (Muzio & Ackroyd 2005). Escalated competition, growing number of budget-conscious administrations, and increased professional regulation caused by scandals, such as the Enron case, are threatening the institutional foundations of professions (Muzio et al. 2011a). These developments have given rise to a deprofessionalization thesis, which claims that formal knowledge credentials are no longer a prerequisite for a monopoly over a field of work and thus professionals are losing control of the definition, execution and evaluation of their work and eventually their autonomy as well (Muzio & Ackroyd 2005; Muzio et al. 2011a).

When professionals are employed by large, bureaucratic organizations, they become subjected to external sources of power and control. Therefore, professional values and

practices become subordinated to the interests of the employing organization, which may endanger professions to lose their autonomy. These trends are having the most profound effect on organizational professions, which are the most dependent on their employing organizations. (Muzio & Kirkpatrick 2011.)

Controllers as a group have to deal with the same challenges than all of the other occupational groups working in organizational settings. Demand for profitability and effectiveness in increasingly competitive markets extend to cover controllers as well. However, it is possible that controllers may be in a more favorable position to shield their occupational group from organizational controls. As their work involves making sure that the goals and objectives of the organization are taken into consideration and controllers are usually involved in the forming of organizational controls. This allows controllers to have an influence on the matters and perhaps even protect themselves from having to compromise their service ethics and autonomy for organizational objectives.

4.4.3 Opportunities

Despite the challenges brought on by shifting working conditions in large organizations affecting professional work and practices, it does not mean that professions are merely looking on as their status and control over their work diminishes. Professional projects are adaptive and dynamic in nature, and professions are able to develop new coping strategies and tactics in order to protect their jurisdictions. (Muzio & Kirkpatrick 2011.) Professions seem to have been able to adapt proficiently to large, bureaucratic organizations and, at the same time, stay committed to their profession (Suddaby et al. 2009.)

Professions may adopt defensive and conservative strategies, such as unionization, in order to protect their jurisdictions and privileges from external assaults (Reed 2007). Instead of protecting the status quo, professions may adopt expansionary strategies in order to answer to the changes in the operational environment and defend their jurisdictions. They may take on new roles in management, move into new markets, and extend their field of practice into new territories and consequently reinforce their jurisdictions and extend their dominance over organizations. (Muzio & Kirkpatrick 2011.)

Organizations may provide a medium through which professions can achieve their objectives of status enhancement, financial and social rewards, and quality of service more facilely. Organizations provide a setting for the professionalization projects of new organizational professions, such as managers and HR personnel, who wish to secure social and organizational control over key resources in large corporations. (Muzio & Kirkpatrick 2011.) For many occupations, especially for those in the private sector, controlling high value adding tasks, positions, or applications in the organization may

be more important than closure in the labor market (Brint 1994). Brint (1994) argues that successful professions are often those that have colonized key positions and strategically important tasks within organizations.

For controllers, work in organizations is perhaps opening up more opportunities than causing challenges for them. As the controller function is typically sponsored by the top management (Mouritsen 1996), and the controller usually reports to the most senior executive in the organization (Bragg & Roehl-Anderson 2011), controllers can be considered to occupy a relatively strong position in organizations. Being the sparring partner of the management and being able to influence decision-making through their close interaction with the management, controllers could be considered to control important resources, strategically important tasks, and key positions in organizations. Organizations can be considered to provide a setting for the professionalization project of controllers, and a medium through which they can advance their efforts to professionalize as it can be argued that the occupation of controllers would not exist absent organizations, because of their supporting role in organizations.

5 FINDINGS

5.1 Data collection and analysis

The primary data for this study was collected using semi-structured theme interviews. The interviews were carried out between March and May 2013. In total, four controllers were interviewed at which point the data saturated enough to conclude. The interviews lasted between 40 minutes and an hour. The interviews were recorded and summarized by noting down the time, the question, and the key points of each answer in order to facilitate the analysis later. Some of the interviewees did not want to reveal their names and the company by which they were employed. Therefore, all of the respondents are anonymous in this study; only the title of the respondent and the industry of the employing organization are mentioned.

The interviewees for this study were randomly selected. Work experience as a controller varied between the respondents from a few years to over 15 years. The field of business differed between the interviewees. One of the respondents worked in the head office of a large, multinational telecommunications company. Another respondent worked for a subsidiary of an American multinational technology company that specializes in diagnostics instruments. One interviewee was employed by a subsidiary of an American company specializing in 'in vitro' diagnostics. Another interviewee was employed by a large, multinational engineering company. All of the companies that the interviewees were employed by were listed companies or subsidiaries of listed corporations. All of the respondents had a master's degree in economics and business administration and all of them had majored in accounting.

The data for the section about the occupation of controllers in the United Kingdom was gathered from online documents from the Chartered Institute for Management Accountants. The institute publishes its own professional magazine, carries out surveys and other research about their members and occupation, which have been used as sources of information for this study.

The analysis of qualitative data can be considered as a circular, three-stage process that includes the description, classification, and connecting of the data (see Figure 3 below).

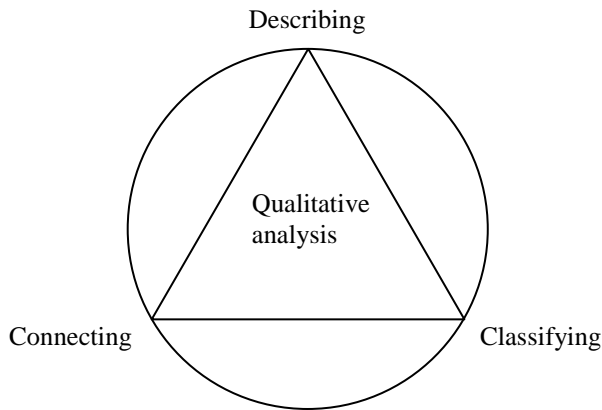


Figure 3 Qualitative analysis as a circular process (Dey 1993, 31).

Description is the foundation of analysis, which forms a profound and comprehensive picture of the phenomenon under study. (Dey 1993.) In the description stage, the aim is to examine the properties and characteristics of people, events or subjects. The phenomenon under study should be set in a context, that is, in the time, place, and culture where it takes place. (Hirsjärvi & Hurme 2001.) It may be required to describe the social setting in which the phenomenon takes place, which may be a group, organization, institution, society, or culture (Dey 1993). Contextual information is crucial in order to understand the broader social and historical relevance of the phenomenon (Hirsjärvi & Hurme 2001). In addition to describing the context in which the phenomenon takes place, it is also important to describe the intentions of the actors as well as the processes that take place. The aim is to describe, how the actors perceive situations, and explain the motives behind their actions. The ways in which actors interact are relevant, because by describing the processes that take place, the researcher is able to obtain a sense of how events come about and evolve over time. (Dey 1993).

Classification is the next part of the analysis (Dey 1993). It creates the basis upon which the data can later be interpreted and explained. Classification is important in order to make different parts of the data comparable to each other (Hirsjärvi & Hurme 2001). It can be seen as a process of channeling the data into relevant categories in order to organize it into a form that is helpful for analysis. Hence, classification involves breaking up the data and piecing it back together again in an organized manner. (Dey 1993). The forming of the categories is based on the research setting, data quality, and to the researcher's theoretical knowledge about the subject and ability to apply this knowledge (Hirsjärvi & Hurme 2001). Once the data is categorized, it can be compared, analyzed and redefined. The process of classification should always be directed by the research objectives of the study. (Dey 1993).

Connecting is the third stage of the analysis process. Once the data is classified, the researcher begins to find, not only regularities and conformities between the categories

formed earlier, but also variations and exceptions. The aim of making connections is to reveal patterns within the data. The intention is to find connections between concepts, which can be derived from analyzing how the categories can be combined, and exploring the connections between them (Dey 1993.) During connecting stage, the importance of the researcher's thinking process, and understanding of the phenomenon under study is crucial. The connections between categories should be understood both empirically and theoretically. The aim is to understand the phenomenon from many angles, and create a theoretical model that describes the data. (Hirsjärvi & Hurme 2001.) Theory provides the direction and framework that helps to connect the different concepts and connections in the analysis. (Dey 1993.)

The aim of the analysis is to form an overall view of the data and end up with successful interpretations and conclusions. The criterion for a successful interpretation of the data is that the reader can come up with the same conclusions as the researcher despite the difference in point of view. The interpretation process in qualitative research takes place during the entire research process. In the beginning, the interpretations can be quite comprehensive, and at one point, they can focus on minor details. In the end, the researcher creates once more a comprehensive interpretation of the phenomenon under study. (Hirsjärvi & Hurme 2001.)

The data gathered for this study is described in section 5.2. The data is described by taking relevant quotations from the respondents to illustrate the elements of the occupation of controllers in Finland. These quotations are then explained, put in a context and opened up by connecting them to the relevant literature. The data about the CIMA is described in chapter 5.3 by demonstrating the relevant elements in the professionalization project of the CIMA in the United Kingdom and explaining the process in this project.

The data concerning the occupation of controllers in Finland is classified into five categories according to the elements, which research considers as essential for professionalization. These categories are expert knowledge, autonomy, service orientation, occupational community, and status. This classification aids in the analysis stage as it facilitates identifying the elements, which are and which are not in accordance with those of established professions. The data concerning the occupation of controllers in Britain and the CIMA is a separate category. Connecting will be carried out in chapter 6, where the categorized data is compared and analyzed against the elements of traditional professionalization projects. Parts of the data that offer encouragement to the professionalization of controllers are connected to the theory in section 6.1 and those that may hinder the process are analyzed in section 6.2. Finally, the occupation of controllers in Finland will be compared to its counterpart in the United Kingdom in section 6.3.

5.2 The occupation of controllers in Finland

5.2.1 *The multifaceted expertise of controllers*

The expertise of controllers is founded on education. It creates the basis upon which controllers build their expertise during their working lives in the field. This education is typically acquired in higher education institutes, such as universities. As the controller is the person in charge of management accounting and financial accounting, (Horgren et al. 1997), most controllers have likely majored in accounting or finance, because educational background in these subjects is quite essential in order to succeed in the position. Basic knowledge of accounting – theories, techniques, concepts, and language – is taught in universities, which lays the foundation upon which controllers establish their expert knowledge base and build careers in their field.

Although they say that once you graduate you are not fully ready, which is completely true, but at least in management accounting [school] provides lots of frameworks, concepts and theory, which you can apply considerably [in your work]. (Controller, machine construction industry)

Education provides the financial knowledge that is in the center of controllers' expertise. Controllers' task is to bring a financial point of view into decision-making processes and make sure that decisions can be justified in financial terms as well. Education gives controllers the readiness to look at matters from a financial point of view by supplying them with theories, methods, concepts and principles, which they can apply in their work. In addition to the theory base, education also socializes students to the culture of the occupation.

In financial management, [education] provides the language. I would emphasize ... a good basic education starting right from high school. If you are interested in reading and finding out about things – it facilitates conversation with different groups of people. (Controller, medical instrument industry).

Continuous learning was mentioned as one of the key aspects to controllers' expertise. The interviewed controllers stated that they learned something new everyday and their expertise builds and evolves continuously. Education provides the basis, but more important is the ability to learn and take in new information. For business-oriented controllers, the capability to absorb new information, detect changes in their operating environment, and take into consideration the essence of constantly accumulating information flow prove valuable in their work as management's strategic business partners.

[Expertise] demands many years of learning ... and you have to learn more all the time. It is constant learning, and in a way, you have to study

more every day, but it is mostly along side with your work – it is your work that teaches. (Head of Finance, telecommunications industry.)

Another property relating to controllers' expertise is the importance of experience. Business knowledge and understanding of the business, organization, processes, and people develops over time. A large part of controllers' expertise relies on experience and the discretion that comes with it, which can only develop over a certain time span of working in the role of the controller. Experience allows the controller to identify which things are important and where to devote time and efforts.

Of course, education gives you the foundation to be able to learn and understand things, or it facilitates, but in fact, in a way, the expertise rests upon experience, so that you have been all over and seen all kinds of things and ... you try to understand what the business is all about and what the people really want. (Financial controller, in vitro diagnostics industry.)

Although management accounting is an essential part of controllers' knowledge base, their expertise demands a far more extensive understanding. Business knowledge and an understanding of the business are essential in order to perform successfully as a controller. All-round education and business knowledge acquired from school is an indispensable part of controllers' expertise. Controllers' expertise does not rely on a single discipline; instead, it encompasses various different fields, and knowledge from different specialties.

A: There are bits and pieces from all over, management accounting provides the foundation ... but then again, a certain understanding of marketing basics and why not economics and so on, they ... provide background so that it is easier for you to understand the world, and the situation the company is in and in which it exists, why problems come up, and which direction to go to.

Q: Not just management accounting?

A: No, not in my opinion ... especially when you come to work in a smaller firm where you have more extensive responsibilities, it is important to have some hunch about other fields as well. (Financial controller, in vitro diagnostics industry.)

The data indicates that controllers' expertise is very much beyond that of management accounting. They need to have a comprehensive overview of the business itself, operating environment, and the industry. Some knowledge of marketing, economics, business law, and information technology, just to mention a few, enable controllers to better respond to the issues that come up and find solutions to them. It allows control-

lers to better conceive the factors that may have an effect on the performance of the company. Knowledge of other fields also helps in communicating with people from different functions and backgrounds within the organization. It would be erroneous to state that controllers' expertise relies solely on management accounting. Rather, it is a mixture of management accounting and other relevant fields and disciplines.

What actually is relevant knowledge in the case of controllers depends on the organization for which he or she works. This has a profound effect on the expertise of controllers. Although, their expertise is quite portable, which implies that it can be transferred from one instance and apply it in another, it is also quite organization-specific. All organizations are different, the industry, company size, organization structure, business environment differ. The goals, strategies, processes, products, and systems vary, which is directly linked to what is required, expected, and needed of controllers regarding their expertise and knowledge. The role and responsibilities of the controller may therefore be quite different across different organizations.

[The name of the company] is such a large firm, where you are in your own part of the corporation, for which you responsible, but you do not have a possibility to look at everything extensively. Then you come into a smaller firm ... here, the controller's role is very different... it is very close to being in the role of finance manager, you have to look at book-keeping, perhaps understand something about taxation, and financial reporting, which I didn't have to do in my previous job. Then there are sales, purchasing, cost management, and process development – anything and everything. (Financial controller, in vitro diagnostics industry.)

Whereas the role and area of responsibility differ across organizations, so does the expertise required to fulfill those duties. What the controller actually does may vary between organizations. Whether one is a controller of a department, site, division, or entire organization has major implications on what kind of knowledge and expertise he or she must possess. One controller working in a smaller firm may have much wider range of responsibilities than another working as a controller for a department of a larger firm.

Controllers use discretion in their work to quite a large extent. Many of the issues and cases that controllers face are such that there is not one right or correct way to approach matters and, therefore, they are allowed considerable discretion in deciding the appropriate course of action.

In management accounting, there is not a regulative side like there is in financial accounting, where you have certain rules according to which you must do your work, instead, it is much more discretionary. (Controller, medical instrument manufacturing industry).

Management accounting provides almost a free reign for controllers to use their discretionary judgment in applying the theory to practice. Because resources are limited – whether it is money, time or labor force – there is considerable discretion needed in order to put those limited resources into effective use, and focus on things that are the most important. Controllers need to optimize the available resources, and use their judgment in the process. Professional discretion is an essential feature of controllers' expertise, because organizational decision-making relies on their ability to provide high-quality information and analysis.

For sure, you have to use some [discretion] in how you put your point ... maybe it comes through the understanding of what is important and what is not, and through considering where to invest in and not in order to get to bottom of something and what is beneficial and what is not. (Financial controller, in vitro diagnostics industry.)

In management accounting, there may be case-specific calculations, which factors to include and which point of view one takes. These are such cases that one may use discretion. (Controller, machine construction industry).

Controllers interviewed for this study did not think that controllers should have to obtain a special degree in addition to the basic training that they had. They considered that the education they had obtained was enough to be able to work as a controller, based on a view that a major part of controller's expertise is acquire in working life through experience. They also questioned the ability to create a training program that would be suitable for all controllers, because of the wide variety of controllers' work. The work tasks of controllers can be multifaceted and divergent depending on the organization and position, which would cause difficulties when trying to include all of the different aspects of controllers' work task under one, specialized degree.

The job descriptions [of controllers] are varied ... controllers' tasks can be extremely wide-ranging, for example, some of the controllers in our organization are in charge of HR and legal matters as well. I would like to see how these matters are taken into consideration in the training program. (Controller, medical instrument manufacturing industry).

I don't see a need for a distinct degree for controllers, it needs to be included in our basic accounting degree, and in a way it is there, since there are management accounting and financial accounting. Controller's responsibility is usually them both depending on the position and the organization. (Head of Finance, telecommunications industry.)

5.2.2 *The extensive autonomy*

The data strongly indicates that controllers enjoy considerable autonomy in their work. All of the controllers interviewed for this study agreed that their work is quite autonomous, and they have extensive freedom to decide the content of their work. Controllers' decisions are seldom questioned, and there is no one looking over their shoulder at work. They are trusted upon and their expertise is valued. The power to decide and influence organizational decision-making is heavily based on trust that can only be gained in time.

My both superiors have given me quite extensive power of decision. ... They trust me; they very little question me, they trust what I do. (Head of Finance, telecommunications industry).

I think it comes through trust, of course, if you are new and still wet behind the ears, then probably your decisions and proposals are looked at more carefully, but once you gain the trust, your own power of decision and influence strengthens (Financial controller, in vitro diagnostics industry.)

Although, most of the time, the issues and cases to which controllers attend in their work emerge from the organization, they have the liberty to decide which ones to focus on, from which angle they approach the issues, and decide upon the consequent action. Controllers' clients, whether they were in the top management or line management, have an effect on what controllers' daily work encompasses. How they choose to tackle these issues is mostly in the discretion of controllers.

Of course certain things like legal side matters, they need to be done ... the rest of the time ... there is a lot of room to affect what I will do and, of course, the wish is for the sake of self-development and interest that you can do something new or develop something ... A lot of the things emerge from the organization which require attention pretty quickly ... I would say that I have influence in how I choose to tackle those issues. (Controller, medical instrument industry).

Certain aspects of reporting are regulated by the company and guided by regulations, where you cannot use your own judgment. (Controller, machine construction industry).

For most controllers, monthly and annual reporting is a central part of their job description. The interviewed controllers, for whom reporting was included in their job description, stated that they are allowed considerable autonomy in their work with the exception of reporting. Reporting is very much regulated and governed by organiza-

tional and legal reporting policies and regulations. It must be done according to the rules and schedules and it provides the routine side to controllers' work, which is otherwise quite discretionary.

Of course, the reporting side is mostly determined and there are certain things that you need to report every month and supply certain reports that you have filled, and for that matter, I cannot [determine the content of my work]. Then, there is the development side [of my work], where I can decide what to focus on and I can take those matters forward that I think are important. (Controller, medical instrument manufacturing industry).

The interviewed controllers did not feel external pressure to do their work in a certain way from either their clients or employing organization. Instead, controllers' decisions are given credence to and their expertise is rarely questioned. However, the data indicates that there are internal expectations and insistence within the occupation concerning the compliance side of controllers' work. Controllers expect themselves to have integrity and honesty, understand what is right and wrong, and comply with rules and regulations. That is, controllers expect other controllers as well to have integrity and poise, be meticulous in their work, and not resort to infringement.

I believe that for most controllers it is clear that – compliance, numbers must correct and true, you cannot falsify the numbers – these kinds of values are certainly – hopefully – every controllers' number one priority. ... The fundamental matter is that you must be very honest ... we have very strict compliance rules here at [the name of the company], you can't do anything inappropriate ... In this position you must be very proper, there can't be any malpractice in the handling of company's funds. It is very clear that there is this compliance concept, what you can and what you cannot do. You also must be very careful with numbers, and when you make analyses and send them forward, they must be correct. (Head of Finance, telecommunications industry)

It seems that controllers are very meticulous and strict about their own work. Perhaps, their self-discipline and that they demand a lot from themselves is reflected in their expectations about other controllers as well. The demand for integrity, precision and poise could be considered as a property of the occupation.

5.2.3 Strong orientation towards serving the business

As briefly mentioned in chapter 4, controllers' clients are practically always internal. This implies that the services they provide are directed towards people within the same

organization. The clientele of controllers varies between different organizations, positions, and job descriptions. Some controllers may serve one or two different groups of clients whereas another may have several different client groups. Controllers may have clients on all different levels in the organizational hierarchy. Management is usually one of those clients that they report to and for whom they provide information. The financial department is usually another client since controllers are usually a part of it and report to their superior. Then, on the same level or below in the organizational hierarchy are the business managers, teams, and other personnel that controllers offer services to.

The data indicates that controllers possess a strong service orientation. They are devoted to providing high quality information and analyses for their clients and serve them to the best of their knowledge and ability. They support and help their clients in financial matters as well as disseminate financial knowledge inside the organization. Bringing a financial aspect to business decision-making is essential and controllers need to have the ability to talk to people that do not have background in finance in order to support their clients.

In my opinion, one of the most important things is that we have to support others to understand why some information needs to be entered in a particular way, and why it is important to choose the correct account when posting an invoice ... in order to get quality information. I feel like it is my job to help them as opposed to thinking that they must understand these things. I think that we are here to make their lives easier and at the same time, our own when the information is already correct and of high quality when first entered into the system. (Controller, machine construction industry).

In dealing with their clients, controllers attempt to understand their needs and goals and strive to support them in their work. The business orientation is heavily present in controllers' work as they strive to help the business succeed and be profitable. Controllers have adopted the view that the added value they bring into the organization comes through supporting and helping the business instead of concentrating on the numbers alone. Businesses that controllers support are different and they need to know the business in order to support it and bring the financial aspect into decision-making. This requires thorough understanding of the business from controllers in order to serve their clients to a greater degree. In addition, people in organizations come from different backgrounds and fields of expertise, which requires controllers to be able to look at matters from their clients' point of view, and adapt in order to be and become understood.

I try to adapt in order to be able to discuss with [my clients] and solve the issues using a language that we both are understood. I would emphasize communication, talking to people, and working together – it is clear in many ways that you must find a mutual language with which you get to

the bottom of matters. One might have completely different education, career, expertise, and nevertheless, it usually does not take long to get on the same wavelength of what we are doing and from which point of view. (Controller, medical instrument manufacturing industry).

When I instruct something, I try to put myself in the other person's shoes, who might not know a thing about finance and I must try to explain it accordingly. I feel like the same way we were once taught I am the teacher. ... You must make the time for [my clients], even though there may be questions. I have a philosophy that rather more questions, even if it may take time, because it takes even more time to resolve the mistakes afterwards. (Controller, machine construction industry).

It seems that clients determine largely what controllers' work actually encompasses. Modern business-oriented controllers need to have excellent social skills and knowledge of human nature in order to excel in their work. Controllers need to adapt and put themselves in their clients' place in order to be able to assist them, and help the business strive. Although clients determine largely the content of controllers' work, the data indicates that controllers do not compromise their principles or values in order to support the business. The integrity of controllers is evident in this regard as well. They do not say or do something just to please their clients, whether they were board members or subordinates. Although controllers are heavily oriented towards helping their clients and bringing value through making the business strive, they do not compromise their values and principles.

Of course, you must adapt to a certain degree, but the underlying principles ... integrity is one and maintaining trust, they are very deeply entrenched, they are not compromised. (Controller, medical instrument manufacturing industry).

5.2.4 The loose occupational community

The data indicates that there is not a clear occupational community within Finnish controllers. Rather, it seems to depend on the individual how one feels a sense of community within the occupational group of controllers. Controllers working in the same organization do feel a sense of belonging to a group of controllers within that organization. However, on a societal level, it seems to depend on the individual how she or he feels a sense of group cohesion within the occupation. It seems that instead of feeling like belonging to a distinct occupational group of controllers, they would rather see

themselves as financial professionals on a general level, which is a much larger group of different occupations working in different roles in accounting and finance.

I do feel [that we share a common identity] in a sense that when you talk to your colleagues ... we have quite similar points of view and thoughts. (Controller, machine construction industry).

There is not much interaction between controllers working in different organizations in Finland. Although, there are some meetings organized for controllers, activity is minimal in that regard. Most of the controllers interviewed said that they were not in contact with other controllers except for their friends from school and colleagues. The lack of interaction between controllers from different organizations makes it difficult for controllers to create a distinct occupational culture and strong identification with their occupation. Despite not having too much interaction with one another, controllers seem to identify themselves mostly with their occupational group. Identification with their educational background and employing organization seem to be in the background, but controller is what they consider themselves as the most. The more extensive the job experience, the more they identify with their occupational title.

Possibly in some a way [we do share common identity], but I do not know if it has to do with the controller's role or ... with what we Finns are like. I think there are common values to a degree; if you think about it, the majority has similar educational background and we live in the same society ... the values cannot be too heterogeneous. (Financial controller, in vitro diagnostics industry.)

Despite not having a distinct occupational community, there are, however, characteristics and features that indicate subtle cohesion within the occupational group of controllers. Similar educational background as well as same type of work creates affinity in how controllers perceive themselves and their work. The values, norms and principles are generally uniform even though there is not much cooperation between controllers from different organizations. As already mentioned earlier in section 5.2.2, there seems to be internal expectations on how controllers should behave and what kind of principles they should have at work. Working for the business, integrity, and diligence seem to be at the core of controllers' basic values.

I would emphasize that we have a certain honor in our work. Integrity is probably a guiding principle and I hope it is for everyone working in financial administration, because if it is not, the entire future of financial administration is on frail ground. (Controller, medical instrument manufacturing industry).

Reliability, timeliness of reporting, all of these need to be in order. Then I would say in thinking about controller's role, for me, it is important that

I could be even more the sparring partner of business. I think that what we as controllers should be able to produce is information from the figures that the business needs, but does not necessarily know how to look for it. (Controller, machine construction industry).

Accounting principles seem to be rooted deep in controllers' work and thought. Educational background in accounting has clearly socialized controllers in that regard. They know what is expected of them, what norms and principles they need to follow, and how they should conduct themselves to be accepted as members of their occupational group. Even if controllers do not share an occupational community amongst themselves, they can be considered as members of a larger occupational group of accounting and finance professionals.

5.2.5 Respected occupation?

Controllers believe that they are respected in working life as experts in their own field. They believe that people trust controllers, their opinion has influence and, their word is listened to. One of the factors influencing this perception is that controllers themselves consider their work as important and valuable. They respect themselves and their work as controllers. They think of their position as controllers to be highly satisfactory as opposed to being an intermediate stopping point in their careers. Controllers take great pride in their work and hold themselves with integrity and poise, which surely is perceived by others as well.

In the work community, personally, I think that I am trusted because I know how much people contact me. In that way, I believe that people trust me, which is an important thing. One of the most important things is that they are willing to work with me. In that regard, [our work] is respected. (Controller, medical instrument manufacturing industry).

I believe [controllers] are respected as experts in their own field and in bringing the financial view into matters and being able to concentrate on issues that others may not have the time and resources for to think about financial issues and make sure that things are done by the book. (Financial controller, in vitro diagnostics industry.)

Although, there are not licensure requirements or any other legal prerequisites on who can practice as a controller, employers generally require a university degree or an equivalent from their controllers. Experience in accounting or finance is also typically expected from applicants applying for controller's position. These kinds of requirements will shrink the pool of suitable candidates and may create an artificial undersupply of

qualified controllers and thus raise the prestige and rewards of controllers. It should be stressed, however, that there are not studies conducted on the educational background of controllers and it is likely that there are controllers without a degree from a higher education institute. All of the controllers interviewed for this study did have a university degree.

When asked about the possibility of having own professional association, the interviewed controllers did not see the need for one. As an organizer of training and networking opportunities, controllers considered that association as beneficial.

Certainly, any interest group, such as the SEFE, which we have, does enhance [status and awareness], but instead of status enhancement, I see that it would be more important enhancing our own expertise and networking, which, of course, would also enhance our status. (Controller, machine construction industry).

On the other hand, the other tasks of a professional association – the lobbying, increasing awareness, and enhancing status – they did not feel the need for them. Controllers think very highly of themselves and their work and do not feel the need for status enhancement. It could also be that they are humble people and do not care for social rewards such as those. Controllers feel that their occupation and work is respected and people in general consider them as experts in their own domain.

Is the status of CFOs or controllers an issue in Finland, that people do not respect them? I do not think the situation is like that. If there was an association like that, I do not understand how it could enhance or why it should enhance the general impression of controllers, I do not think that is a problem. I have an impression that people appreciate financial professionals, controllers or CFOs in general. (Head of Finance, electronics industry.)

Intriguingly, the interviewed controllers considered their occupational group to be respected, but at the same, they still assumed that the image that people have of controllers is that of boring, formal bean counters and stiff bureaucrats.

Controller as a term is somewhat even scary, I would say, controller is a stalker. I do not know if that is respected. (Controller, medical instrument manufacturing industry).

It would make sense that if people in general shared this traditional image of controllers, others would not respect them. In the same breath, the interviewed controllers stated that they were not the typical, traditional bean counter-type controllers, who are confined in their departments producing formal reports detached from the business itself.

I feel like [controllers' image] is much different from what I am like. I feel that on average people think that controllers are dry, boring, and

strict. It is a traditional occupational image. (Head of Finance, telecommunications industry)

Whether it is a coincidence that all of the controllers interviewed for this study were so-called modern, business-oriented controllers remains unclear, but the data from this study indicates that the traditional bean counter controller represents a minority of the occupational group. Although the general public may have a traditional, bean counter image of controllers, it seems that this dated image does not extend to the work place of business-oriented controllers, where their work as strategic business partners are earning respect and admiration.

5.3 The significance of the CIMA in the United Kingdom

Although, this study concentrates on the occupation of controllers in Finland, it is useful to take another country and compare how the occupation differs between the two countries. The work of controllers is likely very similar between different countries, but the institutional environment is quite different. The United Kingdom was chosen as a comparison country, because as opposed to Finland, the United Kingdom has a professional association for management accountants, which makes the situation regarding the professionalization project of controllers quite different.

In the United Kingdom, the occupation of controllers has been able to organize itself quite effectively in order to initiate their professionalization project. Much of the success of this collective mobility project has to be credited to the work of The Chartered Institute of Management Accountants (CIMA). Based in the United Kingdom, the CIMA is the world's largest professional association that represents management accountants and has over 195,000 members worldwide. The institute's goal is to establish management accounting as the most valued profession in business. (Chartered Institute of Management Accountants 2012). A powerful professional association is one of the key vehicles for successful professionalization projects and the CIMA could be considered as one of them.

The CIMA was founded in 1919 as The Institute of Cost and Works Accountants (ICWA) to provide a range of information needed to plan and manage modern businesses. Since 1922, the CIMA has hold cost conferences in order to promote cost accounting in the United Kingdom and launched its own magazine, which today is called Financial Management. During the years, the institute has gone through several name changes and the current name dates back to 1986 recognizing the importance and commercial relevance of management accounting. In 1995, members of the association were given the right to use the title of Chartered Management Accountant. In 2007, the CIMA was endorsed by the World Bank as a global authority on management account-

ing. The institute also has made a mark for itself globally opening branches and offices in several countries, including South Africa, Sri Lanka, Ireland, Hong Kong, Malaysia, Australia and China. (90 Years of CIMA 2009.)

Having a long history behind it, the CIMA has evolved over time and adapted to changes in the environment. Name changes are clear evidence of this endeavor to adjust to fluctuating operational environment. In addition, the institution has had time to build its reputation and gain status as a reputable professional association. In 1975, the CIMA was granted a Royal Charter, which is a way of incorporating a body by transforming it from a collection of individuals into a single legal entity. A body incorporated by Royal Charter has all the powers of a natural person. In order to be granted a Royal Charter, the professional institution should comprise the members of a unique profession, which is not covered by other professional bodies. There needs to be a convincing case that it would be in the public interest to regulate the body. Once incorporated by the Royal Charter the institution surrenders significant aspects of the control of its internal affairs to the Privy Council, which is the body that grants Royal Charters. (Royal Charters 2013.)

Having met the criteria in order to be granted the Royal Charter, the CIMA has been recognized as a professional association by the state government of the United Kingdom. The state has considered that it is the public's best interest to regulate the profession, which has traditionally been one of the main reasons for state involvement in professional work. The Privy Council has also considered that the CIMA represents members of a unique field of expertise, which is not covered by other professions. Having a knowledge base that is distinct and restrictive and relies on a particular discipline has been considered as a crucial factor in defining one as a profession. Although having state recognition, there are not restrictions on who can practice as a controller. There are not licensure or educational requirements for one willing to work as controller. The CIMA's members, however, are the only ones allowed to use the title Chartered Management Accountant.

The CIMA offers a training program, which applicants must complete in order to become a member of the association, and qualify as a Chartered Management Accountant. To qualify for the program, one must fulfill the prerequisite entry requirements, e.g. having a degree in business or accounting. The qualification consists of nine examinations, work-based practical experience and case study examination. (Qualification structure and syllabus 2010.) By creating an exclusive and arduous training program, the CIMA is not only able to control the supply of certified management accountants, but also create demand for professionals that have achieved the qualification. The more controllers there are on the market with a qualification from the CIMA, the less easy it is for those without it to obtain the highest-ranking positions in firms. This trend, in turn, could create the need for non-certified controllers to apply for the institute's train-

ing program, and obtain the qualification in order to make themselves more employable. A recognized training program is essential for an occupation to advance in their efforts to become a recognized profession.

Whereas established professions, such as doctors and lawyers, have often outsourced their training to an external training institution, such as a university, the CIMA has done the opposite and kept the training of its members under its own control. The institute is able to decide and control the entry requirements, syllabus, and qualifications of its future members, which are a major source of power for the CIMA. Instead of having to negotiate the terms and conditions of education with an external training institution, whose motives and incentives might deviate and even conflict with those of the professional association, the CIMA is able to determine them by itself.

The CIMA's training program for management accountants is a recognized qualification, which is evident from the salary surveys conducted by the association. On average, CIMA members' pay packages increase by almost 10,000 pounds in the first few years after qualifying. This figure rises to 20,000 pounds over the next six years. (CIMA Salary survey 2012.) Taken into consideration that the students have already had to have a degree to qualify for the program, the increase in salary is considerable. Assuming that salaries reflect the market value of labor force, the CIMA qualification increases the market value of controllers considerably.

Established professions have traditionally been privileged to higher than average salaries as well as other social and financial rewards. Through occupational closure, these professions have been able to control the supply and demand of practitioners on the market and increase the amount paid to professionals. The professional association of management accountants has been able to achieve this as well. The creation of an arduous training program and exclusive entry requirements through which it can control not only the number of practitioners on the market, but also the quality of the services its members provide for their customers, the CIMA has succeeded in raising the status of the profession and increasing the rewards paid for its members. Since the salaries paid for the CIMA members are significantly higher than those who do not have the qualification, the employing organizations have clearly come to value the qualification and the standard of services offered to them by the CIMA professionals or otherwise they would not pay as much as they do for their services.

The CIMA has compiled a code of ethics, which is required by the members of the association to comply with. On the institute's website, it is stated "CIMA is committed to upholding the highest ethical and professional standards and to maintaining public confidence in management accounting" (CIMA Code of Ethics 2010). Members of the institute "have a duty to observe the highest standards of conduct and integrity, and to uphold the good standing and reputation of the profession. They must also refrain from any conduct which might discredit the profession." (CIMA Code of Ethics 2010). The

CIMA code of ethics is based on the International Federation of Accountants (IFAC) handbook of the code of ethics for professional accountants (CIMA Code of Ethics 2010).

The CIMA code of ethics is made up of five fundamental principles: Integrity, objectivity, professional competence, and due care and professional behavior. Members are required to report to the association in case they have been convicted or disqualified from their position in their employing organizations or if another body or authority has sanctioned them. According to the institute, misconduct includes acts that would generally be regarded as morally condemnable, and acts that do not meet the standards of a competent management accountant. (CIMA Code of Ethics 2010.) In case of professional misconduct as defined by the association, the CIMA has a disciplinary process, which was created in order to protect the public, to maintain public confidence in the management accounting profession, and to declare and uphold proper standards of conduct in the profession. Complaints made against a member are investigated and if the member is found to have acted against the rules of the institute, sanctions are imposed ranging from reprimand to a fine, withdrawal of practicing certificate, suspension, and even expulsion. (Chartered Institute of Management Accountants 2012.)

A code of ethics, which defines the way in which professionals must conduct and manner in which they should behave, is one of the primary ways professions employ self-regulation and gain autonomy from outside influence. By demanding members to behave and conduct in a manner that is of the highest standards, an occupation gains respect from other actors in the field, and is able to show the public that the services they provide are of the highest professional quality. The disciplinary process further enhances the occupation's status as a self-regulating profession, since there are consequences for professional misconduct. Without an eligible disciplinary process, there would be a need for outsiders to step in, which is unwanted by professions craving for autonomy.

6 ANALYSIS AND DISCUSSION

According to the multi-actor model of professionalization presented in section 4.2, there are five actors in the process of professionalization – practicing professionals, the state, clients, training institutions and employing organizations. Professionalization can be seen as negotiations between these five actors that strive to reach their goals and work towards their interests. (Burrage et al. 1990.)

The relevance of these five actors on the professionalization project of controllers is analyzed next in more detail. Section 6.1 analyzes the more promising domains in the professionalization project of controllers in Finland. Section 6.2 analyzes the aspects of the occupation that may be considered to hinder the process or in the least not further controllers' professionalization project.

6.1 Encouraging domains in the professionalization of controllers

6.1.1 *The minimal influence of employing organizations on autonomy*

Literature has presented worrying scenarios about the growing intrusion of employing organizations into professional work. Especially, the effect of employing organizations on the autonomy of professionals has been widely noted (see e.g. Muzio et al. 2011a). It has been stated that organizational controls and growing bureaucracy are threatening professional autonomy, discretion, and quality of service (see e.g. Wallace 1995). As salaried employees of large organizations, professionals may be in duress to compromise their professional ethics and principles. The role of employing organizations as key actors in professionalization process have been recognized in recent literature, because of their growing influence on professional work (Muzio et al. 2011b).

It seems likely that professionals as salaried employees are subjected to the controls of the organization such as any other worker, and that their professional ethics and ideals may be compromised in the process. There is a risk that the general drift of professional work of providing high-quality expert services to clients may be undermined by the growing demand for cost-consciousness, efficiency, and profitability. This projection, however, does not seem to apply to controllers in such a strong form. As salaried employees of organizations, controllers seem to enjoy considerable autonomy in their work despite the challenges that work in bureaucratic organizations may bring.

The matters to which controllers attend in their work emerge from the organization, but the way in which they choose to approach these issues seems to be in their own consideration. This implies that controllers can apply their formal knowledge and profes-

sional discretion in solving the problems that come up. Controllers do not consider that they are pressured into doing their work in a certain way or that they are pushed into courses of action they would not agree with. Controllers are granted extensive liberties and responsibilities to do their work in a way they see as best.

One of the reasons behind controllers' extensive autonomy may have to do with their job description and the organizational function that they fill. One of the controllers' main responsibilities is the scorekeeping function, which comprises internal control practices such as measurement and budgeting procedures that are required to make sure that the vision and goals of the company are taken into account by everyone in the organization. As the watchdogs of the organization, controllers are in charge of making sure that the company reaches its' profitability goal and everyone in the organization is working towards the collective goals and strategy of the company. (Järvenpää 2001.) Controllers can thus be regarded as enforcers of organizational controls and even bureaucracy – the very same elements that are considered to erode professional values and ideals. Perhaps, being in the position of custodians of organizational goals, controllers are bestowed extensive autonomy in their work. They are trusted to work in the best interest of the organization and assumed to practice what they preach.

Despite their relatively autonomous position, organizational controls extend to cover controllers as well. This is the most obvious in the reporting responsibility of controllers. They need to abide to the rules, procedures, and schedules of corporate reporting policies in monthly, quarterly, and annual reporting. Strict reporting procedures are required in order to secure the comparability, conformity, and consistency of the reports. Although, professions have traditionally been described to have a high tendency to resist organizational controls, administrative tasks, and bureaucracy (Hoff 1999), controllers seem to treat these practices quite differently. Controllers do not care for bureaucracy, because of its tendency to slow things down, complicate processes, and cause inefficiency. However, they understand that certain matters need to be done by the book in order to secure uniformity, compliance, and equality. Without a certain amount of bureaucracy, the risk for excesses and cases of abuse is much higher.

Relative autonomy has been considered as one of the defining properties of professions. In this regard, controllers have been quite successful and they have been able to defy the restricting power of their employing organizations. Perhaps, because controllers are dependent on organizations in a sense that without them, there would not be an occupation to speak of, they have learned how to navigate and get along in the bureaucratic hierarchy of organizations. In addition, controllers have never been sole practitioners, like doctors, for example, therefore they have not had to adapt to working in organizational settings.

6.1.2 *The salience of serving the clients*

Clients are yet another actor in professionalization projects. As already mentioned, controllers have a variety of different types of clients depending on their position, job description, and organization. Controllers' existence in organizations is, in a way, dependent on their ability to provide financial advice to their clients, whether they were line managers, the top management or other colleagues. As cost-consciousness, and demand for profitability is increasing (Leicht & Fennell 1997), controllers' role in organizations should be enhancing as their financial expertise becomes more important. It may also lead to the demand for basic knowledge of finance from everyone in the organization. This is where the controller's role as a disseminator and a teacher of financial knowledge is essential from the point of view of organizations.

Controllers' work revolves around serving their clients. Clients influence the work of controllers, as they are the main source of the cases to which controllers attend in their work. For example, the controller may be asked to help the line managers in investment calculations or analyze the effects of a product launch on the profitability of other products for the top management. The clients may not know how to diagnose or treat a certain problem for which they need consultation from the controller. It is the controller's task to use his or her expert knowledge and discretion to resolve the issue. The traditional service orientation of established professions is thus present in controllers' work.

Controllers are expected to provide the management with financial facts and recommendations for decision-making processes without sugarcoating or bending the truth. As experts in their field, controllers should state the facts, provide analyses, and recommendations without external pressure or influence. They need to remain frank and unbiased despite possible request to distort information or misrepresent figures. Controllers can be considered as quite independent actors in organizational life, who need to be objective about facts and remain impartial and incorruptible come what may. This objectivity in controllers' work is line with what is expected from professional practitioners.

Controllers' orientation towards serving their clients to the best of their ability is closely linked to the business-orientation of modern controllers. The literature on the role of controllers has documented a switch from number scrunching and providing financial information that is of little use from the business point of view to being business partners and producing strategic information for decision-making purposes (see e.g. Granlund & Lukka 1997). The data gathered for this study supports the strong business-orientation of modern controllers. Controllers stand on their ability to bring value to the company through their work in helping the business to succeed. On a more general level, organizations can thus be considered as controllers' clients and indirectly even the stockholders, who gain the financial benefits of successfully run businesses.

However, the traditional relationship that is considered to exist between professionals and their clients – the distant, formal relationship – does not apply in the case of controllers. Rather, the relationship that controllers share with their clients is cooperative and informal. This tendency can be explained in part by the lack of line authority of controllers towards their clients and by the fact that the clients are also their colleagues and members of the same organization. Controllers' orientation towards serving their clients is very much in tune with what the literature considers as an essential aspect of professional work. The service orientation of the occupation of controllers seems to be one of the more promising domains with regards to their professionalization project.

6.2 Stumbling blocks in the professionalization of controllers

6.2.1 *Unrestricted knowledge-base*

One of the actors involved in professionalization projects are universities and other training institutions that are in charge of creating and disseminating new knowledge as well as training new professionals into the market (Burrage et al. 1990). The interviewed controllers had obtained their degrees from business schools associated with universities, which is likely the case for most controllers.

In the case of controllers, universities do not educate students for a particular profession, as is the case of law and medicine. Rather, the education provides the tools and theoretical knowledge that lays the foundation upon which students build their careers and practical experience later in different occupations. The education is also very theoretical with little practical training. The basic training consists of various different courses in business and economics after which students decide, which subject to major in. All of the controllers interviewed for this study majored in accounting, which is likely the subject in which the majority of controllers in Finland have specialized.

Although in their recruitment, employing organizations typically require controllers to have a higher-level university degree in accounting or equivalent, there are not formal, mandatory training credentials for one to work as controller. This implies that controllers' have not been able to create a market shelter and gain professional closure, which have traditionally been emphasized as a major factor in the process towards professionalization. The lack of such mandatory credentials causes a low barrier to entry to the field and may make professionalization improbable (Glücker & Armbruster 2003).

Because universities are independent institutions, they have extensive power of decision to define the content of their training programs, and the knowledge they wish to create and disseminate. Of course, they take into consideration what the practitioners

wish from new professionals entering working life, but because the training programs do not aim for a particular profession, universities have much larger influence on the content of the training of new professionals. Academics also have great power concerning the production of new knowledge. They can virtually decide by themselves what they concentrate on and what type of knowledge they feel is relevant. Of course, the aim is that research has not only theoretical value, but also practical implications that new knowledge could be utilized in practice as well.

Universities have the power to decide the number of students they enroll in their training programs, which implies that they also have the power to control the supply of future professionals on the market. As universities have taken a strong foothold over the knowledge base of controllers as well as over the control of the entry and training requirements of future professionals, controllers as an occupational group have little say in these matters. This would imply that the knowledge base of controllers is not under the control of the occupation, but instead, under the control of universities that provide the knowledge base and education for controllers. Control over the practice as well as the knowledge base has been considered as an essential feature in determining the outcome of professionalization of an occupation (Kyrö 1995). In addition, as the degrees that controllers have obtained from their respective business schools are highly valued, it gives the universities power and independence from outside influences.

Controllers apply their expert knowledge to solve their clients' problems in their work. Education provides the basis, the formal knowledge base that controllers apply in their work. In addition, tacit knowledge is essential in controllers' work. Controllers apply their formal knowledge in dealing with their clients' issues and at the same time, they use their discretionary judgment and tacit knowledge to apply formal knowledge in practice. These elements of controllers' work are precisely what the literature considers to be at the core of professional work (Gorman & Sandefur 2011).

It became clear from the data gathered for this study that although education provided the basis of controllers' knowledge, experience, above all, was stressed as the main source of their expertise. Especially, the experienced controllers thought that it was the most important factor behind their knowhow. Interpersonal skills, business wit, and common sense are qualities that controllers held in high value as factors behind their expertise. In the literature regarding professions, education is seen as a determining aspect of professional expertise, because of its ability to shut out those without appropriate training from the occupational opportunities of the profession. Perhaps, if the education played a more significant part of controllers' expertise, they would have a better chance at reaching occupational closure.

Another issue regarding controllers' knowledge base is that the expertise is quite organization-specific. Although the problems to which controllers attend may not be that unlike between different organizations, but the practices, structures, systems, and proc-

esses do vary, which implies that the knowledge gained from one organization may require revisiting and building on it when working in another organization. Constant learning was stressed by the interviewed controllers as the key to success in their business and as a major factor in their expertise. Too organization-specific expertise implies that the knowledge base may not have portability and universality (Reed 1996), which have been considered important aspects of professions' formal knowledge base.

As already mentioned, there are controllers, who in addition to management accounting are in charge of financial accounting as well. In a smaller firm controller may have the responsibilities of the chief financial officer or have HR or legal matters as their responsibility. The job descriptions are varied, and controllers in different positions in different organization need knowledge that is beyond management accounting. The knowledge of the business, no matter what field the business operates, must be learned and mastered by the controller. Management accounting may provide the theories, techniques and frameworks, but the controllers' knowledge base must reach far beyond one discipline in order to prosper in their job. The use of a distinct knowledge base does not apply to controllers very well, because their work requires the use of other knowledge bases as well. Different matter is that whether any other occupational group applies management accounting as their primary knowledge base.

There has been vivid discussion in literature about the theoretical foundations of management accounting, and whether there are any theories of management accounting or just techniques or concepts and theories loaned from other disciplines such as sociology (see e.g. Malmi & Granlund 2009). Whether management accounting forms a universal knowledge base and a specialized field of expertise that can be codified and standardized may be questioned. The data indicates that management accounting frameworks and techniques offered controllers the basis for their work, but much of the expertise relied on their own discretion and judgment. Management accounting may not have the degree of standardization and codification that it should have in order to be regarded as a distinct body of theory. An occupation that leans on a weak knowledge field with a vague or obscure knowledge base cannot produce portable and testable credentials and will find professionalization difficult (Fincham 2006; Muzio et al. 2011b).

Whether management accounting has theoretical foundations or not is beyond the reach of this paper, but the underlying question whether management accounting could be considered as a distinct knowledge base for controllers is relevant. It seems that from the data gathered or this study, experience and knowledge from other disciplines and fields seem to be at the core of controllers' expertise. An occupation that would be the first to state that management accounting is their primary knowledge base; it seems that management accounting is only one part of controllers' expertise and perhaps not even the most essential one. The knowledge base of controllers does not seem to be restricted into a single discipline, but instead, it encompasses various different disciplines and

fields of knowledge. The issue of not having a restricted, exclusive knowledge base is perhaps the most marked obstacle in the professionalization project of controllers.

Although, the manner in which controllers apply their expertise in their work fits very well into the traditional model of professions, the issues with controllers' knowledge base and the lack of mandatory credentials for practice may undermine the chances for the occupational group to become a recognized profession.

6.2.2 *Unorganized occupational group*

One of the issues that controllers have in their professionalization project is the lack of internal organization within the occupational group. The practicing professionals themselves are one of the five key actors in professional formation and their main resources are organization and ideology (Burrage et al. 1990). The absence of a representative organization is perhaps the most notable feature of an unorganized occupation. One of the reasons for the lack of organization within the occupational group may be that controllers do not share a sense of oneness within the group or feel like they belong to a distinct occupational group with other controllers. Perhaps, the lack of interaction within the group is one reason of not having a sense of being part of a distinct occupational community. It may also be that controllers consider themselves as part of a larger group of financial professionals as opposed to being a member of the occupation of controllers.

The absence of an occupational community among controllers is actually quite curious, because as a group they are involved in the same type of work, share common training, career pathways, as well as working conditions. These are considered as the factors that would be inclined to create a cohesive occupational community (Van Maanen & Barley 1984). Controllers also share similar values, norms, and perspectives in work, which should create a common identity among controllers. The data gathered for this study also indicated that there are even social pressure and expectations within the group on how one should conduct oneself and fulfill their duties, which would indicate some degree of self-regulation within the group.

Another reason for the absence of an occupational community and internal organization within the group of controllers could be the fact that the job descriptions of controllers differ between organizations as well as inside of them. Whereas one controller is exclusively in charge of management accounting, another may have financial accounting as the main area of responsibility. One controller may be in charge of the finances of one department, whereas another is in charge of the entire company's finances. This variation between controllers' areas of responsibility and differing job descriptions, in

part, may explain why controllers do not feel a sense of oneness and consider themselves as a distinct occupational group.

6.2.3 *Minimal state intervention*

The final actor in professionalization project is the state, which has the coercive power to regulate professions (Muzio et al. 2011b). Traditional literature on professions has emphasized the state as a major factor in determining the professionalization of an occupational group by granting it the exclusive right to control a certain domain of work by licensure, educational credentials and so forth. Once a certain profession has been recognized by the state, they are the only ones allowed to practice that domain of work (Abbott 1988).

Although, the state plays an important role in professionalization activities, the occupational group of controllers in Finland has not made any effort towards involving the state in their own project. The reason for this disposition maybe found in the fact that controllers as an occupational group have not made any effort towards organizing themselves. Without an organized group with unanimous goals and objectives, state recognition is doubtful. The professionalization of an occupational group must start from inside the occupation and if there is no organization on their part, the aim of obtaining the status of a profession is practically non-existent.

There are, however, occupational groups that the state does wish to control or be involved with in order to protect the public from professional malpractice or negligence. These occupational groups are such that incompetency in the production of their services may have damaging effects on the wellness or security of the public. (Larson 1977.) It only makes sense that the government wants to be involved in their activities. Doctors and lawyers are, of course, such groups, but the banking sector, for example, has been subjected to their share of governmental involvement during recent years due to the questionable granting of loans to individuals with little or no solvency to be able to pay them back.

Controllers, on the other hand, are such an occupational group that is not under the immediate microscope of the government. The reason for this 'laissez-faire' approach may be that the clients of controllers' services are typically internal, which allows the employing organization to monitor and control their activities and, if necessary, impose sanctions. Because the clients of controllers are not private individuals or external organizations, the state does not feel the need to impose controls on the occupational group. The situation would likely be entirely different, if controllers did direct their services to private individuals; the ability for private citizens to monitor and control the services they are being provided is quite minuscule (Burrage et al. 1990).

Of course, it has to be acknowledged that controllers may be in charge of financial accounting, which implies that they are in charge of external reporting to outside authorities, such as the tax authorities and investors. Hence, controllers must comply with the generally accepted accounting principles and Accountancy Act and abide by the laws and regulations imposed by the state and other authorities. Although the state is not considerably involved in the activities of controllers, it does influence their work in the background as with any other occupational group.

6.3 The occupation of controllers in the UK and Finland

At this point, it is constructive to compare the differences and similarities between the occupation of controllers in Finland and in the United Kingdom. As already mentioned, the professional association for management accountants, the CIMA, has strong presence in the United Kingdom. This feature of the occupation is, perhaps, the most defining divider between the two countries.

It would be fair to state that the occupation of controllers in the UK has been able to organize itself much more effectively than its counterparts in Finland. Practicing professionals are one of the key actors in their own professional development, and internal organization can even be considered as the first significant step in the process. A professional association is an important element in professionalization efforts, since it represents the members of the occupational group, guards their rights, and negotiates on their behalf (Evetts 2002). In this regard, the occupation in the United Kingdom have a much better chance to professionalize as opposed to that in Finland, which has not organized itself in any way.

It seems that the work of the CIMA is very similar to that of the auditing profession. It is reasonable that management accountants would be interested in attaining the same type of status as their close colleagues and imitating their professional values, processes and features are indicative of such inclination. Having an own degree, exclusive title, code of ethics, and a disciplinary process have been adapted from those of the auditing profession. It is questionable, however, whether these attributes can effectively and credibly be implemented to the occupation of controllers. As already discussed, the work of controllers is very specific to the organization, position, business, and job, and their knowledge derives from different sources and disciplines. Because of these attributes, it is unlikely that controllers are able to reach the same type of status as auditors.

The professionalization project of management accountants with the lead of their professional association, the CIMA, is a good sample of the elements that a traditional professionalization project covers. Closed membership structure, code of ethics, training program, magazine and a disciplinary process are few of the components, which are a

part of established professions' properties. Although, the activities of the CIMA may have the outside appearance of a well-established professionalization project, the more profound issues with the occupational group may be found underneath the surface. It is understandable why occupations would be inclined to follow the same paths as those that have been successful in their efforts to professionalize. These so-called mimicry processes are widely recognized in literature according to which organizations, or in this case occupations, tend to mimic the behavior and actions of those that have succeeded (DiMaggio & Powell 1984).

There is reason, however, to question whether the professionalization project of the CIMA has any substance or if it is just an attempt to project an image of professionalism and use the ideology of professionalism to gain advantages for the occupation without any of the fundamental elements of professions to support these efforts. Many occupational groups have gone to great lengths to form their own representative associations, professional standards, training programs, and work towards building a professional image (McKenna 2006). Despite the efforts, many occupational groups have not succeeded in their professionalization projects, which come to show that the outside appearance of a group, internal organization, and mimicked elements of professionalism do not alone make a profession. Without such properties as an exclusive knowledge base, clearly defined markets, separation from other occupations, and mandatory professional training, professionalization projects may come to naught (Kyrö 1995; Muzio et al. 2011b). This may well be the case for the CIMA as well.

Controllers do not rely on a single knowledge base and their expertise cannot be considered to base on a distinct body of theory. The markets in which controllers operate are multifaceted and undefined as their work can cover a multitude of different type of organizations, job descriptions, and positions. In addition, controllers do not have control over their knowledge base, the practice in their field or occupational closure, which would allow them to regulate the practice in their domain and the entry of new practitioners to the field. The appeal of professionalism is powerful and the advantages gained from professionalization are many. Considering the inherent properties of the occupational group, there is reason to believe that the work of the CIMA is trying to turn an occupational group into something that it can never be by embellishing the exterior with symbolic elements of professionalism and attaching the ideology of professionalism on it. It may well be that the institute is working towards an unreachable goal and will eventually run into the impossibility of the task. It may well be that behind the façade of professionalism the actual substance of the professionalization project is pre-eminently hollow.

The type of work, knowledge base, and markets of controllers is likely very similar for both Finnish and British controllers. Perhaps, the only way in which the occupation of controllers in the United Kingdom differs from the one in Finland is the ostensible

success of their professionalization project. The underlying issue behind the difficulty for controllers to professionalize, their dubious knowledge base, is just as much an issue for controllers whether they were in the United Kingdom or Finland. It is possible that the work of the CIMA has raised the status of controllers and worked towards unifying the occupational group with their degree and membership in order to create an occupational community, which is very much non-existent in Finland.

7 SUMMARY AND CONCLUSIONS

This study described the occupation of controllers in the context of professionalism. The purpose was to discover why controllers in Finland have not professionalized, map the reasons for it, and discover the elements, which may help them to become a profession. The United Kingdom was used as a point of reference to better understand the professionalization project of controllers. The findings of this study are not claimed to be conclusive; however, they do offer indications on the properties of the occupation of controllers and possible reasons behind their lack of professionalization.

There are several reasons why research is interested in studying professions and the process of professionalization. The discourse of professionalism is powerful and the benefits that come with professionalization are substantial – autonomy, social status, financial rewards and recognition – are only a few of the properties that pull occupations into professionalization (Evetts 2011). The new knowledge economy has been characterized by the rise of new expert of occupations, which attempt to mimic the professionalization projects of established professions, and gain the status of a profession themselves (Muzio & Kirkpatrick 2011). However, becoming a profession is not self-evident and, despite attempts, a number of occupations, such as consultants, have failed in their professionalization projects, because of reasons relating to the internal properties of the occupations (Muzio et al. 2011a).

Professions are a special occupational group of expert workers that differ from other occupations in several matters. Firstly, their expertise is based on abstract, codified knowledge that has theoretical foundations. Professions have control over their exclusive knowledge base and, therefore, they control the practice in their field. They are entitled to a high degree of autonomy concerning their professional judgments and decisions. Professions are a self-regulating group in a sense that through socialization practices and internal control structures, they keep their members in line without outsiders having to step in. Professions offer services using their professional expertise and discretion to help solve their clients' problems. An occupational community that brings unity and a sense of oneness within the group characterizes professions. Professions enjoy high social status as well as considerable financial rewards. (Freidson 1994; 2001.)

The process of professionalization has been described to consist of series of negotiations and occupational settlements with relevant actors in the field. Practicing professionals are evidently one of the actors in their own professional development, since through internal organization, they are able to establish their position on the market and increase their status with other actors. Training institutions play their own part in the professionalization of an occupation. They build the knowledge base that is the foundation of an occupation's professionalization project and train new members to the profes-

sion. Clients are yet another actor in the process, because of the importance of service orientation of professions. The state is also relevant in professionalization processes in the sense that they have the ability to apply coercive power to hinder or advance any occupations' professionalization projects. (Burrage et al. 1990.) Finally, the role of the employing organization has become of increasing importance in the professionalization activities, since most of the professionals are employed by large organizations with considerable influence on these projects (Muzio et al. 2011b).

Controllers have been introduced with a number of innovations in the field of management accounting that fall within their field of expertise (Ahrens & Chapman 2000). Increasing cost consciousness and competition (Goodrick & Reay 2011) have most likely benefited controllers in the sense that the financial aspect is becoming more important to organizations and thus controllers' expertise in financial matters as well. The role of the controller as a disseminator of financial knowledge, a producer and analyzer of information, and a strategic business partner indicates a strong presence of controllers in organizations. It would therefore make sense that the occupational group would have, in the least, attempted to professionalize, but which has so far kept itself waiting.

There are many reasons why controllers in Finland have not been able to professionalize. The most visible, perhaps, is the lack of a professional association, which indicates an unorganized occupational group. Professional associations are typically the ones in charge of organizing events, conferences, and other forums for their members. It may therefore be difficult to achieve cohesion or create a sense of unity and exclusiveness within a group of people without a unifying organization (Kubr 1996). The lack of interaction among controllers in Finland is possibly one of the reasons why controllers do not consider themselves as a distinct occupational group. Perhaps, they identify more strongly with their employing organizations or education. Controllers may consider themselves as financial professionals in general and 'controller' only as a title as opposed to the term having the meaning of a distinct occupation.

Another problem with the occupation of controllers is their varying job descriptions and contents of their work. The title 'controller' is utilized in very different contexts, and for very different positions in organizations. Because of the inconsistent nature of controllers' work across different organizations and positions, it is difficult to achieve a sense of oneness and consider belonging to a distinct occupation. The sense of occupational community is perhaps dependent on the fact that the work is mainly similar despite the work place or position in organizations. Undefined markets and varying clientele may also hinder the professionalization of controllers.

Yet another, perhaps the most profound problem with the professionalization project of controllers is their indistinct knowledge base. It could be stated that controllers' formal knowledge base is management accounting, which, of course, is relevant in most controllers' work. However, controllers do not rely on a single knowledge base – they

gain their expertise from many different fields and emphasize the significance of experience as a major factor in determining their expertise. Codified, standardized and portable knowledge base has been considered in literature as one of the determining factors in professionalization projects (Reed 1996).

Although there are many issues with the occupation of controllers in Finland concerning their professionalization project, it also possesses features and elements, which are in accordance with the traditional elements of professions. One of these attributes is the relative autonomy of controllers in their organizations. Perhaps, their considerable autonomy is related to the controller's job description, which demands a certain objectivity and impartiality. Being in a role of the management's sparring partner, controller needs to state the facts, present the alternatives and possible outcomes, upon which managers base their business decisions. Controllers' expertise in financial matters is trusted and respected and rarely questioned. The trust that is gained through demonstrating an understanding of the business and finances is at the very core of the autonomy that controllers enjoy. Another attribute is the traditional service orientation, which is very much present in controllers' work. Their work revolves around serving their clients and solving the problems that come up using their expert knowledge and discretion. Controllers work for the business and they bring value to the company through serving their clients.

Perhaps the most intriguing finding from this study relates to the status of controllers. They did not consider the idea of professionalization as necessary concerning higher status, larger social rewards, or visibility in society. Controllers think very highly of themselves and their expertise. They consider their work to bring value to the company and to have an impact on the business. Controllers felt strong honor and pride to be controllers, and thought that their occupation is respected in their working places. They felt that controllers are regarded as experts in their own field and that their status is relatively high. Perhaps controllers enjoy such autonomy and respect in their respective organizations that they do not feel the need for more eminence. The only way in which controllers considered professionalization to be useful is the sense of community it would offer by bringing together controllers from different organization and the learning aspect which comes through sharing of information and experiences with others.

Although controllers consider themselves and their expertise to be respected in their work places, they still assumed that people in general had the traditional image of controllers as stiff, formal bean counters. Controllers questioned the likelihood of this type of occupational image gaining respect in the wider society. The inconsistency of this line of thought is curious, since on one hand they think they are respected, but on the other, they do not think that they are. Perhaps the occupational image that people in general share of controllers is that of formal bureaucrats, which, however, is not shared in the work places of modern business-oriented controllers.

Although the professionalization project of controllers has promising aspects, the issues with their occupational properties may outweigh the positives. The data in this study indicates that it may not be possible for the occupation of controllers to achieve professionalization in traditional terms at least. The issues with their indistinct knowledge base, undefined markets, and inconsistent job descriptions are decisive factors concerning professionalization, which may be very difficult to overcome. The analysis of the work of the CIMA in the United Kingdom demonstrates, how it is possible to create an impression of professionalism by establishing a professional association, code of ethics, training program and so on. Without the crucial elements of professionalism, such as formal knowledge base and occupational control, an occupation may never reach its ultimate goal of becoming a profession. There are many cases to refer to where the mimicking of the activities and practices of established professions was not enough to gain a similar status, most notably the professionalization project of consultants.

More research on the professionalization of controllers, however, is needed in order to reach more sustainable conclusions. The purpose of this study was to explore the subject area, gain insights, and give guidance for future research. Because of the small sample size, line of questioning, and the scale of the research, it would be problematical to claim that the results of this study are conclusive. A fruitful stream of research would be to explore, how controllers apply their expert knowledge in their work, and what this expertise consists of. Taking an in-depth view into controllers' knowledge base and application of expert knowledge would offer a more thorough and comprehensive understanding of their expert knowledge, which is one of the decisive factors in professionalization projects.

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APPENDIX 1 INTERVIEWS

Financial controller, in vitro diagnostics industry. Interview 8.3.2013.

Controller, machine construction industry. Interview 21.3.2013.

Controller, medical instrument manufacturing industry. Interview 12.4.2013.

Head of Finance, telecommunications industry. Interview 3.5.2013.

APPENDIX 2 INTERVIEW GUIDE

Profile:

Education

Career

Length of job experience as a controller

Current job description

Being a controller:

How did you decide on becoming a controller?

Is your work as a controller satisfactory or is it an intermediate stopping point to some other goal?

What kinds of values and principles do you have in your work as a controller?

Do you value your work as a controller?

Do you identify yourself with your education, profession, employing organization or some other basis?

Expertise:

What is your expertise and know-how founded on?

Do you consider your expertise special knowledge, the kind that is not very easily learned?

How routine-like is your work?

Do you have to a lot of discretion in your work and apply what you have learned?

On which disciplines do you work lean?

How large influence does your education have with your work?

Autonomy:

How independent is your work?

Do you get to decide the content of your work or is it determined from higher?

Do you feel external pressure to do your work a certain way, e.g. from employer, clients, colleagues?

What is your attitude towards bureaucracy?

How does your employing organization influence your work?

How large an influence do you have towards decisions that are related to your expertise?

Service orientation:

Who are your clients, that is, for whom are your services oriented?

What kind of relationship do you have with your clients?

How do you take your clients into consideration in your work?

Do your clients influence how you do your job – do you have to change your own principles, approaches etc. when you serve your clients?

Status and rewards:

How do you consider your position as a controller in your work community or society?

In your opinion, what kind of image do controllers have in working life and outside of it?

Do you feel that the social or financial rewards of controllers are acceptable?

Community:

How much do controllers in different organizations cooperate or are in contact with one another?

Are there forums, conferences or any other instance where controllers meet up and share information with one another?

Do controllers have a community?

Do you feel that controllers in Finland would have a shared identity, norms, values or culture?

Professionalization:

Are you familiar with the CIMA, The Chartered Institute of Management Accountants based in the UK?

Do you feel that there could be willingness or need for a similar organization in Finland?

Do you feel that this type of institute would have an impact on the status of controllers or increase their awareness?

Do you think that controllers should complete a separate degree, like the auditing professionals?

Do you wish that controllers had a similar status as e.g. auditors in Finland?