



Accountants as institutional entrepreneurs: changing routines in a telecommunications company

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Abstract

Purpose – The purpose of this paper is to explicate the role of institutional entrepreneurs who use accounting technology to accomplish change within a privatised telecommunications company.

Design/methodology – The case study method is adopted. The authors draw on recent extension to institutional theory that gives greater emphasis to agency including concepts such as embeddedness, institutional entrepreneurs and institutional contradiction.

Findings – As part of the consequences of new public management reforms, we illustrate how institutional entrepreneurs de-established an older state-run bureaucratic and engineering-based routine and replaced it with a business- and accounting-based routine. Eventually, new accounting routines were reproduced and taken for granted by telecommunications management and employees.

Research Limitations/implications – As this study is limited to a single case study, no generalisation except to theory can be made. There are implications for privatisation of state sector organisations both locally and internationally.

Originality/value – The paper makes a contribution to elaborating the role of institutional entrepreneurs as agents of change towards privatisation and how accounting was used as a technology of change.

Keywords Institutional theory, Contradictions, Institutional entrepreneurs, Privatisation

Paper type Research paper



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1. Introduction

This paper examines accounting change within a telecommunication company, Moli[1], as part of a new public management (NPM)-style reform process. Prior to the start of the reform process, which began in the late 1980s, Moli had, for many years, a dominant “engineering culture”[2] (Scapens and Roberts, 1993). The paper analyses the process through which commercial business routines spread across the organisation to gain preeminence. It reveals that accountants and other internal entrepreneurs acted to bring about a change in the way that the organisation’s activities were perceived and determined. The purpose of the paper is to explicate the role of institutional entrepreneurs who use accounting technology to accomplish change. The research question asked is: How do institutional entrepreneurs enable changes to institutional rules and routines through accounting as a technology?

The paper draws on recent extensions to old institutional economics theory that give greater emphasis to agency in the form of institutional embeddedness and institutional entrepreneurship (Abrahamsson and Gerdin, 2006; Ball, 2005; ter Bogt, 2008; Burns and Baldvinsdottir, 2005; Busco *et al.*, 2006; Englund *et al.*, 2011; Lapsley and Oldfield, 2001; Oliver, 1992; Ribeiro and Scapens, 2006; Seo and Creed, 2002; Sharma *et al.*, 2010; Siti-Nabiha and Scapens, 2005; Zilber, 2002). While the Sharma *et al.* (2010) study, for example, uses institutional theory and demonstrates that institutional contradiction shapes embedded agents to become institutional entrepreneurs to bring about change, their study lacks an in-depth discussion of institutional entrepreneurs. Our aim is to strengthen the theoretical foundation of institutional entrepreneurship and the role of power in accounting change in line with old institutional economics theory (Burns and Scapens, 2000). We contribute to a theory of action that accounts for agents’ embeddedness in their institutional environment. In doing so, we help to improve our understanding of the process of institutional entrepreneurship. The paper expands on micro-level analysis, an approach that has received relatively scant attention in studies of institutional entrepreneurship. The tensions between two contrasting institutional routines at Moli were evident when changes, with their different sets of values and language that provided an alternative view of effectiveness and efficiency, were introduced. Employees were mobilised to effect or resist the new accounting and economics language that aimed to replace the previous discourse based on engineering understandings and concerns.

Pallot (1998) argues that accounting and accountants can affect the pattern of relationships including structures of power and accountability within organisations and in society at large. Using institutional theory, the paper provides an illustrative example of such changing patterns of relationships and their institutionalisation. The theorisation of accounting change using notions of institutional entrepreneurship enables us to present a theory of action in institutional theory (Battilana, 2006; ter Bogt, 2008; Burns and Baldvinsdottir, 2005; Burns and Scapens, 2000; Busco and Scapens, 2011; Englund *et al.*, 2011; Scapens, 2006).

The paper is structured as follows: the section below provides an overview of the relevant prior work and institutional theory framework. Next, we present the research method. The paper then details the background information on Moli. This section is followed by the presentation of the research findings. The paper finally highlights some of the key messages and implications from the case study.

2. Institutional theory and entrepreneurs in accounting change

The NPM literature often suggests that an important explanation for changing the control of government organisations is the desire to improve performance, that is, to increase economic efficiency and effectiveness (ter Bogt, 2008; Lapsley, 2008; Northcott and France, 2005). However, not all scholars are convinced that organisational changes are intended, in the main, to increase economic efficiency and effectiveness. Some suggest that expectations and values both inside and outside the organisation, along with rules in society, can also play a part in a decision to introduce management changes (Burns and Scapens, 2000; Burns and Vaivio, 2001; Busco and Scapens, 2011; Busco *et al.*, 2006; Collier, 2001; Cruz *et al.*, 2009; Dent, 1991; Englund *et al.*, 2011; Lawrence *et al.*, 2010; Lounsbury, 2008; Lukka, 2007; Modell, 2001; Scapens, 2006; Sharma and Lawrence, 2008; Zilber, 2002). Institutional theory offers the opportunity to explore such influences, including the role of institutional entrepreneurs in the change process. Institutional entrepreneurs such as accountants and heads of business units can be instrumental in invoking NPM practices that government entities may be privatised over time.

According to Abrahamsson and Gerdin (2006), accounting can be proactively used to reshape perceptions about what employees are supposed to do or not do. Accounting information typically constitutes a central part of the way things are by making some things visible and others invisible, and giving meaning to organisational activities (Burns and Scapens, 2000; Busco and Scapens, 2011). According to Macintosh and Scapens (1990), accounting information has the potential to contribute to organisational change by serving as an interpretive scheme. That is, accounting technology is used by organisational participants to make sense of alternative models of social behaviour.

Traditionally, new institutional sociology is seen as a theory of stability, but it may be extended to incorporate change through change agents (Burns and Nielsen, 2006; Burns and Scapens, 2000; Cruz *et al.*, 2009; Lukka, 2007; Modell, 2001; Nor-Aziah and Scapens, 2007; Ribeiro and Scapens, 2006; Scapens, 2006). In earlier studies, new institutional sociology theorists did not explicitly address the issue of human agency within the organisational change process (Meyer and Rowan, 1977; Powell, 1991). New institutional sociology seeks to explain why organisations in a particular field appear to be similar (Scapens, 2006). New institutional sociology indicates the various external pressures that can have an impact on the way organisations are structured and governed. However, some theorists have turned their attention to tackling the phenomenon of institutional change by using old institutional economics (Burns and Scapens, 2000; Busco and Scapens, 2011; Dillard *et al.*, 2004; Johansson and Siverbo, 2009; Sharma and Lawrence, 2008; Sharma *et al.*, 2010). These authors began to consider aspects of institutional change from the late 1980s by highlighting the role that individuals play in change processes. In these considerations, some have relied on the notion of institutional entrepreneurship, which encompasses active agency in institutional theory (DiMaggio, 1988; Dorado, 2005; Fligstein, 1997; Hensmans, 2003; Lounsbury, 2008; Scapens, 2006; Sharma *et al.*, 2010). Institutional entrepreneurship, as conceptualised in this study, is specific to old institutional economics (Burns and Baldvinsdottir, 2005). The concept of institutional entrepreneurship has attracted a lot of interest in institutional theory (Battilana, 2006; Burns and Baldvinsdottir, 2005; Kilfoyle and Richardson, 2011; Sharma *et al.*, 2010; Weik, 2011).

Institutional entrepreneurs are actors who are interested in particular institutional arrangements and who mobilise resources to create new institutions or to transform existing ones (DiMaggio, 1988). The entrepreneur's role is to shape institutional change, i.e. the destruction of one institution and the establishment of another (Beckert, 1999; Weik, 2011). Scapens (1994, p. 306) defines institutions as "imposing form and social coherence upon human activity, partly through the continuing production and reproduction of habits of thought and action". Here institution comprises the taken-for-granted assumptions that inform and shape the actions of individual actors (Burns and Scapens, 2000). Institutions (i.e. settled ways of thinking and doing in a social system) are part of the old institutional economics approach to the analysis of processes of change (Burns and Scapens, 2000; Ribeiro and Scapens, 2006). Institutional entrepreneurship has been presented as a promising way to account for institutional change endogenously (Battilana, 2006; Dorado, 2005; Fligstein, 1997; Lounsbury, 2008), although this notion is still controversial among institutional theorists. The controversy surrounds the ability of actors, who are supposed to be institutionally embedded, to distance themselves from institutional pressures and act strategically (Battilana, 2006; Seo and Creed, 2002). How can organisations be changed, or individuals innovate, if their beliefs and actions are all constrained by the very institutional arrangement that they wish to change? This question alludes to the "paradox of embedded agency" (Holm, 1995; Englund and Gerdin, 2011; Englund *et al.*, 2011; Seo and Creed, 2002). This paradox of embedded agency is a peculiar feature of the institutional entrepreneurship literature (Battilana, 2006; Battilana *et al.*, 2009; Dorado, 2005; Englund and Gerdin, 2011; Englund *et al.*, 2011; Kilfoyle and Richardson, 2011; Weik, 2011).

To unpack the roots of the "paradox of embedded agency", it is essential to understand the dialectical nature of the relationship between institutions and human agency (Englund and Gerdin, 2011; Englund *et al.*, 2011). Institutions do not merely give direction to the actions of human agency; they are also the product of human agency (DiMaggio and Powell, 1983, 1991). Berger and Luckmann (1967) note that the objectivity of the institutional world is humanly produced. Before being "objectivated" (i.e. experienced as an objective reality) by human beings, institutions are produced by them. Battilana (2006) points out that human beings tend to believe that institutions have always been there because most of those who are constrained by institutions, and those who initially created these institutions, are not one and the same.

The "paradox of embedded agency" seems to have been partially addressed by old institutional economics (Burns, 2000; Burns and Baldvinsdottir, 2005; Burns and Scapens, 2000; Englund *et al.*, 2011). According to Lounsbury (2008, p. 351), the "gap between actor micro-processes and institutions provides an important opportunity for theoretical development and empirical insight". Burns and Scapens (2000), for example, use old institutional economics theory to conceptualise how management accounting practice is premised in rules and routinised action, which, over time, has the potential to become a taken-for-granted (institutionalised) aspect of business activity. While rules are how things ought to be done, routines can be defined as the way in which "things are actually done" (Burns and Scapens, 2000, p. 6). Scapens (2006), Lukka (2007) and Busco and Scapens (2011) point out that the insights from old institutional economics theory are helpful in gaining a full understanding of the mish-mash of interrelated influences inside an organisation.

Holm (1995) and Seo and Creed (2002) put forward the idea of institutional contradiction/inconsistency as an impetus for institutional change. A contradiction can be defined as a pair of features that together produce an unstable tension in a given system (Clemens and Cook, 1999, p. 449). Ongoing social interactions at a micro-level within any organisation produce contradictions and generate conflicts and tensions that may shape consciousness and action to change the established order (Busco and Scapens, 2011; Clemens and Cook, 1999; Seo and Creed, 2002; Sewell, 1992)[3]. Such contradictions facilitate institutional entrepreneurs to act strategically.

DiMaggio (1988) introduced the notion of institutional entrepreneurs as agents who have an interest in specific organisational structures and who command resources that can be applied to influence institutionalised rules, either by supporting existing institutions (taken-for-granted rules and routines) or by using them for the creation of new institutions. Institutional entrepreneurs can be individuals or groups of individuals within organisations (Battilana, 2006; Beckert, 1999; Dorado, 2005; Fligstein, 1997; Lawrence *et al.*, 2009; Maguire *et al.*, 2004; Sharma and Lawrence, 2005, 2008). However, very few studies look at individuals acting as institutional entrepreneurs (Battilana, 2006; Burns and Baldvinsdottir, 2005; Kilfoyle and Richardson, 2011). Battilana (2006) contends that individuals who undertake divergent organisational changes fulfil the criteria to be regarded as institutional entrepreneurs. Beckert (2010, p. 155) argues that “institutional entrepreneurs can adapt alternative structural models and use them as templates for the design of institutional structures in different contexts”. Institutional structures, informal rules and taken-for-granted routines come under pressure from agents who recognise that they constrain more efficient outcomes. Schumpeter (1991) describes the entrepreneur as the innovator who leaves behind routines; entrepreneurs respond creatively by destroying existing institutional arrangements and introducing innovations in the form of new institutional arrangements. Managers, on the other hand, respond to changes through adaptation. Although innovations destroy traditional practices, they do so by simultaneously providing models of alternative ways of fulfilling a task. Similarly, the institutional entrepreneur’s role is to create innovation in an organisational setting. Therefore, the conceptualisation of institutional entrepreneurship has been a major step in the introduction and development of agency within institutional theory (Battilana, 2006; Dorado, 2005; Fligstein, 1997). Fligstein (2001, p. 106) considers institutional entrepreneurs to be socially skilled actors: “the ability on the part of actors to analyse and attain such cooperation can be viewed generically as social skill”. Institutional entrepreneurs are able to relate to the situation of other actors and, in doing so, provide them with reasons to cooperate. Because they can seldom change institutions alone, institutional entrepreneurs typically need to mobilise allies (Battilana, 2006; Boxenbaum and Battilana, 2005; Fligstein, 1997, 2001; Greenwood *et al.*, 2002) and develop alliances and cooperation (Fligstein, 1997; Rao, 1998). According to Battilana *et al.* (2009), social positions can enable institutional entrepreneurs to mobilise allies to support the implementation of divergent changes. When institutional entrepreneurs’ social positions do not enable them to mobilise others easily, they might try to convince actors who occupy higher-status social positions to endorse their projects (Battilana *et al.*, 2009). For the purpose of this study, institutional entrepreneurs refer to change agents located within an organisational setting, including managers and accountants.

Beckert (1999) suggests that strategic action is more likely to occur in relatively highly institutionalised organisational fields. Dorado (2005) also proposes that substantial institutionalisation creates room for strategic agency and thereby for institutional entrepreneurship. Fligstein (1997), on the other hand, suggests that perceived uncertainty in the institutional order might provide an opportunity for strategic action. A human agent's social position may influence their access to resources and hence engagement in institutional entrepreneurship (Dorado, 2005). While social position is an enabling condition for institutional entrepreneurship that has received most attention in the extant literature, few studies using case evidence have noted how institutional entrepreneurs enable this change.

The changing of rules and routines, according to old institutional economics, is affected through actors' actions via the process of encoding, enacting, revision and objectification of patterned behaviour (Burns and Scapens, 2000). There is a shift in collective consciousness of actors from a passive mode to a reflective and active one stemming from the tensions created by contradictions. Once these actors (change agents) become active, they need to mobilise other actors and resources to bring about institutional change (Burns and Scapens, 2000; Scapens, 2006). Institutional contradiction not only triggers a shift in actors' collective consciousness but also provides the motivations for promoting alternative institutional arrangements (change in rules and routines) through the collective action of actors on an ongoing basis (Burns and Baldvinsdottir, 2005; Burns and Nielsen, 2006).

The institutional theory framework can also be extended to recognise the role of power in processes of accounting change. Organisational actors are able to resist change that is incompatible with their existing institutions. However, resistance to new rules and routines requires actors to have some form of power to enable them to intervene in the change process (Burns, 2000; Burns and Vaivio, 2001; Collier, 2001; Nor-Aziah and Scapens, 2007). The power and interests of organisational actors can affect whether accounting changes are ceremonial or instrumental (Burns and Scapens, 2000; Collier, 2001).

Institutional entrepreneurs see openings, and draw on power and mobilise political, institutional pillars within an organisation to shape change. Institutional entrepreneurs can mobilise power to enrol others in the quest for change. Entrepreneurs can deploy strategies that are framed by the existing configuration of circuits of power (for example, existing rules or distribution of resources) (Clegg, 1989) and they may promote changes in these configurations. These strategies may enable new institutional arrangements to be introduced in individual organisations (Ribeiro and Scapens, 2006). Key organisational decision-makers could accept solutions proposed by institutional entrepreneurs, but they could also reject them. An institutional entrepreneur may introduce new devices that not only constitute the "carriers of rules" that are likely to be resisted if they clash with existing rules but also disciplinary and enabling devices that have the potential to promote the following of new sets of rules (Ribeiro and Scapens, 2006).

Power represents the means through which intentions are achieved and powerful individuals' desires are exerted over others (Burns, 2000). Power aims "to produce intended effects" with respect to perceived interests (Pettigrew and McNulty, 1995, p. 851). According to Burns (2000), a basis of power in itself is not necessarily sufficient to achieve intended outcomes; it is vital that individuals act. Resistance to the enactment

of innovative arrangements, even when formally introduced in an organisation, may be due to the power of prevailing rules of meaning and membership that are taken-for-granted and unconsciously accepted in that organisation. This tendency towards acceptance is the power of the institutions (Burns, 2000).

Institutional theory, along with a sensitivity to the role of power, provides a basis from which to explore and analyse the role of entrepreneurs in institutionalising NPM-like accounting changes in a government-owned business entity. The next section outlines the research method that was used to explore the theoretical question.

3. Research method

To find answers to our research question, it was decided to conduct an exploratory and explanatory case study (Yin, 2008). Therefore, our research uses a case study approach with evidence collected from multiple sources. The case study method is appropriate to outline how institutional entrepreneurs enable changes to institutionalised rules and routines, as it enabled us to obtain rich empirical evidence through interviews and other data sources. The case study organisation is Moli, which was privatised. It underwent fundamental changes to its management and accounting systems over an extended period. Although there are external accounts of the changes that took place in Moli, there is no research evidence of how processes were transformed internally. Background information on the organisation is provided in the following section.

Evidence was gathered from three sources:

- (1) semi-structured interviews;
- (2) publicly available information, including Moli's annual reports for 1990-2005 and media and government reports; and
- (3) internal proprietary documentation including board papers.

The interviews were carried out between 2003 and 2008, providing an extended longitudinal case study.

Access to Moli employees and documentation was extremely good, but some documents, for example, the corporate plan, were considered to be confidential and were made available in an edited form. Historical information on Moli was also obtained by visiting the National Archives. These multiple data sources helped provide a more comprehensive and valid portrayal of the phenomenon compared to a single data source (Jick, 1979; Modell, 2005). Moli annual reports were used to understand the history of the organisation and to facilitate the interviews.

The previously formulated research question served as a guideline for the interviews. A series of semi-structured interviews, each lasting between one and two hours, was conducted with 25 staff at Head Office and the company's branches. Some interviewees were visited more than once to clarify information obtained from the initial interviews. The interviews took place in formal surroundings, i.e. within the office space of employees or in the company's board room.

While the multiple data source approach (Hoque and Hopper, 1997) that we adopted was useful in enabling us to capture a holistic contextual understanding of the social phenomena under study, it also created challenges in terms of analysing and making sense of the vast amount of empirical evidence collected. To overcome this problem, we started our analysis by preparing tables that listed issues that were frequently raised in interviews. In this way, a range of themes were identified (such as contradiction/

tensions, reform/corporatisation, resistance to change and enactment of accounting control practices). The data representing the themes were clustered together at this stage. The documentary evidence was subsequently matched with these themes (Sharma and Lawrence, 2009; Tsamenyi *et al.*, 2006). The next section outlines background information on the case study organisation, Moli.

4. Background to the case study organisation

Moli was privatised and listed on the stock exchange (Moli, 2001). Significant efforts were made to engender organisational change, through the introduction of NPM-inspired reforms, over an extended period of time. This study focusses on aspects of these change initiatives and, in particular, the changes in accounting technology as part of a routine change.

Moli (2010) describes its vision as “Moli, bringing the best of telecommunications to the Pacific”. The mission of the company is to:

- “provide telecommunication products and services that its customers value;
- strive for excellence in everything it does;
- develop a capable workforce by rewarding superior performance; and
- grow shareholder value” (Moli, 2010).

Table I outlines the various changes that took place over time at Moli. The introduction of NPM by the government shaped Moli’s corporatisation in 1989. The organisation had undergone a number of changes to be more “business-like”, before it could be privatised. Accountants and heads of business units acted as institutional entrepreneurs to bring about “business-like” change in the way that the organisation’s activities were perceived and determined.

The next section presents the case findings.

5. Case findings

Section 5.1 examines key contradictions and how they were overcome by institutional entrepreneurs. Section 5.2 provides an explanation of the processes of changes introduced and the resulting outcomes[4].

Year	Changes
1989	NPM-style reform was introduced by the government. Moli was corporatised
1992	There was resistance to change to commercial values by Managing Director and other managers
1992-1993	An industrial strike eventuated. Cables were sabotaged by workers and Managing Director was reinstated after the board stepped down
1994	A new chairman sensitive to local culture was appointed. A new board with business expertise was appointed
1996	Rothschild consultants were invited to value Moli
1998	Dominion Ltd. [4] became the parent company and Moli its subsidiary
2002-2009	Dominion Ltd. was listed on the stock exchange. Accountants became proactive in the change process. Engineers became less important in comparison to accountants

Table I.
Changes over time at Moli

5.1 Institutional contradictions and entrepreneurs

The government was dependent on international financial institutions such as the World Bank and Asian Development Bank for financial assistance. In return for their assistance, the two banks insisted on structural reforms to local economy. The World Bank provides assistance by way of funding for the development projects in the country. In addition, the Asian Development Bank assists the local financial markets by providing staff for market development programmes. Their assistance entails some funding on their part, or in conjunction with the World Bank.

The involvement of international financial organisations is an important aspect of the institutional environment for local society. These institutions have insisted on the implementation of private sector concepts in public sector organisations, as has been the experience in other countries (Hoque and Hopper, 1997; Uddin and Hopper, 2003). The World Bank and Asian Development Bank were lenders to the country's government, and the general ideology of these banks was that the public sector ought to be efficient and responsive to the needs of customers. The World Bank and Asian Development Bank were a source of coercive pressure for privatisation of Moli.

When the government began to reform the public sector in the late 1980s in line with NPM practices, clashes of interest between different groups began to arise. In the postal and telecommunications sectors, there were institutional contradictions evidenced by clashes of interest between trade union and management, and between engineering and accounting staff. As engineering and physical production were dominant when Moli was part of a government department, the infusion of business norms through privatisation created tension amongst organisational participants. As one Human Resource Manager commented:

As privatisation was a new thing, some people went along with it. As with any introduction of new ideas, some will go along with it, some will sit on the fence and there will be some on the other side opposing the change. It will be like this whenever you start a new thing. It was little bit difficult to educate the people (Human Resource Manager).

One engineering staff member similarly stated:

With corporatisation, there were mixed feelings. Some people were uncertain of their future as to what would come to them (Engineer).

The above interview quotes indicate uncertainty and resistance to change by some people. There was an ongoing conflict between public service and commercial business routines. People were so accustomed to public service routines that the change to commercial business routines was resisted.

In terms of labour, a manager access at Moli recalled the role of unions in resisting the reform process:

In here, we always had militant unions. With reforms, the union considers that they will lose power and so strongly resist reforms, especially when it comes to shedding workers (Manager Access).

Contradiction between management and labour was present[5]. Labour practices were governed by union protocols rather than managerial ones. The unions were resistant to any change that might threaten the interests of labour. This industrial unrest was evident at Moli as fears arose about the effects of restructuring under a corporatised structure.

When asked about the impact of organisational restructuring on Moli workers, a Secretary of the Moli Union outlined the Union's interest in protecting workers against forced redundancy:

We will not tolerate any redundancy and have not tolerated any so far as a result of restructure. Any potential redundancies need to be discussed with us. And if members wish to voluntarily take a redundancy package, then this is welcome, but we do not welcome any forced redundancy. That is our stand since the reforms and we very much maintain that stance (Secretary, Moli Union).

Moli's workers had been involved in various industrial disputes in the past, as the union was vigilant in fighting for the basic rights of its workers. The intransigence of the unions could be interpreted as an indication of Moli workers' ability to prevent the organisation from adapting to exogenous jolts because of "locked in" patterns of behaviour and thought (for the non-adaptability contradiction, see [Seo and Creed, 2002](#)). Thus, employees tended to resist adapting to commercial business routines and tried to negotiate for higher wage rates relative to the private sector. An interview with the Union Secretary revealed that Moli management teams as institutional entrepreneurs had been in almost constant negotiations with the union during this period and had given the workers small annual increments as incentives for adopting new work practices.

To effect change, a new board of directors and a Chief Executive Officer (CEO) were appointed. To inject a new type of governance at Moli, the preference was to appoint people with finance or commercial backgrounds who had been successful in the private sector. Management also recruited more accountants from the private sector (Interview with Human Resource Manager). These new recruits were brought in to transform the organisation and to run the organisation as a "successful business". The previous embedded understandings and beliefs pertaining to public service norms and engineering excellence came to be questioned. Previously taken-for-granted assumptions came to the forefront of people's consciousness and compared to the alternative logics and changes being put into motion ([Seo and Creed, 2002](#)). This situation created tensions between two contrasting institutions at Moli. The new top managers introduced a new interpretive scheme ([Greenwood and Hinings, 1996](#)). A new strategy was developed that looked to maintain profits through increased customer focus and cost management. As one accountant noted, "before we were slack on costs and our performance. Now we had to start looking at that and the customers and pay more attention to our shareholders". The new entrepreneurial team made up of the CEO, accountants and heads of business units introduced a new language of customers, sales revenue and profits, which provided an alternative view to that of the existing embedded actors. The new team became central to the process through which new ways would be carved out and, eventually, became generally accepted and adopted. The new team established an image of an (economically) efficient and profitable postal and telecommunications service.

People were mobilised to effect or resist the new accounting and economics language, which was to replace a focus on mainly engineering concerns. Moli agents were infused with engineering norms, conveying and legitimating postal and telecom business to outside constituents. Dominant routines and institutions within Moli, prior to corporatisation, were engineering-oriented. Changing to commercial business routines was hard, in particular how the embedded engineering norm would be altered.

Traditionally, the aim was to connect as many people with telephones, and costs mattered little. The new managers and the CEO raised performance concerns by creating dissatisfaction with public service routines (Interview with Strategic Manager). Seo and Creed (2002, p. 226) refer to this contradiction as “technical inefficiency contradiction”, which refers to a situation where an organisation may conform to the institutional environment to attract resources at the expense of efficiency. Proponents for change suggested this was the case under the public sector ethos where resources were provided to service “the public good”. There were gaps between the levels of performance from conformity to institutional prescription of public service and from the alternative ethos as a corporatised Moli, where efficiency in business terms became the primary objective.

Seo and Creed (2002) also point out that a common way in which an institutional contradiction facilitates a shift in actors’ collective consciousness is by creating an abrupt disruption to existing social order through institutional crisis. Once induced, institutional crisis may break down the institutional embeddedness, make the institutional system highly unstable (DiMaggio and Powell, 1991) and induce a radical shift in actors’ collective consciousness. This scenario exemplifies institutional incompatibilities (Seo and Creed, 2002, p. 228). For example, the donor agencies of the World Bank wanted their loans to be repaid with interest. Running Moli as a business rather than as a public service was perceived as ideal by the World Bank. Accountants and heads of business units were instrumental in enabling changes to business routines through accounting technology (as will be discussed in Section 5.2). Accountants, hired by the CEO and the heads of business units, became powerful within Moli. The accounting changes that were imposed on the business units were initially resisted by the trade union and employees. With wider education on the change process, accountants and heads of business units shaped changes to commercial business routines.

In summary, external pressure for change to commercial norms came from the World Bank and Asian Development Bank. Clashes of interest arose as NPM was introduced. There were clashes between union and management and between engineering and accounting staff. As the NPM reforms took effect, the public service was increasingly rationalised as inefficient by some influential managers. These influences came together to create a view of the organisation as suffering “technical inefficiency contradictions” (Seo and Creed, 2002, p. 226). The accountants and heads of business units were instrumental in introducing accounting technology that enabled organisational participants to assimilate business routines on an ongoing basis. There was still evidence of some resistance despite the introduction of new accounting technologies by institutional entrepreneurs. Section 5.2 examines the enactment of accounting and organisational changes by institutional entrepreneurs. What happened in Moli illustrates how the strategies of specific groups operating around the organisation can enrol other actors and groups in the adoption of innovative arrangements (Ribeiro and Scapens, 2006). Staff at all levels in most divisions converse using a business language.

5.2 Enactment of accounting and organisational change by institutional entrepreneurs

In this section, we reflect on how accountants and heads of business units act as institutional entrepreneurs, enabling the change from one form of routinised behaviours to another. The section examines how these individuals became proactive in the

introduction of new accounting routines so that the government business entity, Moli, could be privatised. Activity at the organisational level concentrated on restructuring and establishing commercial accounting systems. In the text below, we describe some examples of the apparently mundane changes in controls and routines. While these changes include a number of related changes in the nature of control systems, more importantly, they also include the increasing use of accounting language and numbers in decision-making and the introduction of accounting-based performance measures.

Before the introduction of NPM practices, accounting procedures were cash-based and no balance sheets were prepared. In the past, a Trust account was operated to which all receipts from the telecommunications services were credited and from which all expenditures, both of a recurrent and capital nature, were paid. The money was paid into the Trust account, and the Permanent Secretary was empowered to apply any of the monies standing to credit of the Trust account in payment of all expenditure properly incurred in the exercise of the powers and carrying the functions of the government department. The accounts were audited by the Auditor General and presented in the parliament.

To assist in the overhaul of accounting systems, the government sought external advice from private sector consultants. The idea was to ensure that Moli would be run like a business in line with the government's NPM policy. A consultant was hired to lead the switch to accrual accounting. He was seconded from the Australian Telecommunications Commission and advised on the establishment of a commercial accounting system for Moli (1990). The consultant spent a year at Moli overseeing the preparation of the Moli accounts. Staff from the Finance Strategic Business Unit were also involved in setting up the new accounting system of accrual accounting.

Following corporatisation, the consultant and the finance team accountants (institutional entrepreneurs) separated the accounts from the government accounting system and then prepared and presented the accounts in accordance with commercial accounting practices and in accordance with the Companies Act 1983 (Moli, 1990). The consultant, with the help of finance team accountants, evaluated the assets and liabilities of Moli, a process which involved considerable research and consultation (Moli, 1990). Schedules of cash receipts and payments in respect of the telecommunications services were taken from the Treasury and the government department's annual reports from 1932 through to 1989 inclusive. The consultant identified the details of capital expenditure and constructed depreciation schedules, which were built up in conjunction with the asset records (Interview with Accountant 1). Indices were used by the consultant to establish the current gross replacement cost of assets, that is, the gross cost that would have to be incurred to obtain and install at the date of valuation substantially identical replacement assets in new condition or modern equivalent assets. The external consultant was the initiator of the change through the separation of accounts from the government accounting system and preparation and presentation of accounts in accordance with commercial accounting practices and the Companies Act 1983. The external consultants' aim was to provide a change in strategy towards shareholder maximisation. The strategies had been framed and facilitated by prevailing rules in the modern business world (e.g. efficiency and orientation to financial results). The accountants (institutional entrepreneurs) were instrumental in later enacting the changes. For example, the heads of business units and accountants revalued fixed assets after every five years to show current investment in these assets.

This practice is in line with private sector practices, as Moli had to operate and maximise return to shareholders. Income statement, balance sheet and cash flow statements were constructed on an annual basis.

More accountants with private sector backgrounds were recruited by the CEO and heads of business units (Interview with Manager, Finance). Accounting routines (particularly the use of commercial accounting information) had become “encoded” into the organisational system, as part of taken-for-granted assumptions concerning activity in Moli (Burns, 2000; Burns and Scapens, 2000).

A few managers indicated that, after corporatisation, they realised that they needed the information to manage resources. The accounting system was computerised by accountants with the help of external consultants, and the system was easily accessible. Moli staff used the integrated customer management system for customer care and billing; Sun Systems Financials (comprising Sun Account and Sun Business) were used for accounting purposes. The Moli annual report (Moli, 1997) noted that efforts to control costs and secure value for money continued at Moli. Management accounting systems (including the Sun Systems financial system) were implicated in the power of a specific group of key organisational agents – the CEO and his close allies.

A Finance Manager put it:

The introduction of accrual accounting simply meant that we had to be more business-like and think more in terms of money and costs and so on.

Following corporatisation, with a corporate objective to operate as a successful business and maximise shareholder value, accountants became more powerful and acted as entrepreneurs in the change process (Interview with a General Manager). Accountants helped to develop strategies to enhance financial performance in each division – in effect to manage the bottom line. Planning tools, such as business plan and budgeting, were introduced by accountants. The business plan and budgets established new performance benchmarks by which business decisions and actions would be perceived and judged. The budgets and business plan formed a key dimension of the discourse activity that was crucial in establishing new ways of thinking, as well as helping to dismantle old taken-for-granted assumptions (Burns and Baldvinsdottir, 2005). Activities were to be accounted for and justified in economic and commercial terms, rather than in terms of physical production as will be seen from the ensuing discussion.

The Moli annual report (Moli, 1997) noted that three managers had completed Australian master’s degrees in accounting and business programmes. Training and education of existing employees was complemented by the continuing recruitment of new accounting and managerial staff. These policies enabled radical changes to existing commercial accounting practices to be resourced. There was a new employment of accounting information in decision-making and so the accountants’ role became important. Specifically, accountants constructed business routines as a potential solution to practical concerns, which made these routines more attractive to Moli staff.

Enacting changes in management practices throughout the organisation required the participation and “persuasion”, of executive and practice managers across the various divisions of the organisation. To help achieve this result, the CEO, as an institutional entrepreneur, sought to problematise public sector norms as “inefficient” and to promote the idea that private business practices were geared towards organisational sustainability. The appointment of a new CEO saw major changes in the reorientation of

the organisation towards commercial business routines. According to one manager, unlike the previous CEO who had been used as a government Permanent Secretary, the new CEO was much younger, had a business background and had also been the country's Ambassador to the UN. According to a Human Resource Manager, he was "extremely intelligent, has a strong personality and commands respect from staff". In particular, through mobilising his role over resources, the CEO attempted to influence change according to his and shareholders' interests. Such power mobilisation is shaped by the routines and institutions in Moli. Power over resources was exercised in a manner where the CEO drew on his relative authority, backed by the accountants and heads of business units, to force behaviour modifications in the organisation.

The CEO was instrumental in setting up total quality management practices. For example, Moli's Quality Manager explained that a Quality Team had been working in the "operations and maintenance" area, beginning in 2007. Using data collected from the computerised system, the team identified a problem concerning how different types of faults in the operational and maintenance area were dealt with. The problems identified were overhead line faults, cable breakdowns and exchange faults, which resulted in a loss of revenue for the company. The cable faults were considered to be the main problem that inhibited Moli members from operating efficiently in the operations and maintenance area. Data collected by the Quality Team illustrated that cable faults were contributed to by faults in cable joints. The Quality Team decided on preventative maintenance on all underground joints, which were subsequently renewed. According to the Quality Manager, joint faults were reduced by 50 per cent in 12 months and customers were generally delighted. Subsequently, the company's revenue improved.

As part of the concern over money, the Moli annual report (Moli, 1997) pointed out that the training of Moli's Procurement Section, at the suggestion of accountants as institutional entrepreneurs, resulted in savings of F\$100,000 through the preparation of cable tenders in Fiji. This process had previously been handled under a commercial arrangement by the Crown Agents in London (Moli, 1997). The Moli annual report (Moli, 1997) mentions that, in terms of debt control to boost the revenue base, accountants suggested courtesy calls to customers with overdue accounts. These calls were ultimately introduced and had positive results in debt control. In addition, a renewed emphasis on efficiency in resources use was introduced. A Human Resource Manager commented:

The accountants need to be convinced that there is an investment that we need to do in the people in the organisation. The focus has always been on what we can cut and how to cut costs.

There has to be a look at how that can happen more effectively (Manager, Human Resources).

In respect of cost savings, the accountants also recommended that the Moli training centre be leased out in 1997 (Moli, 1997). The leasing process started for what had become an underutilised and expensive asset to maintain (Moli, 1997). The accountants advised management of the need for a tender process to select the best lessee. Following an evaluation of eight expressions of interest, the terms offered by one lessee was accepted. The annual lease for the land and buildings valued at F\$3.0 million was set at F\$300,000 per annum (Moli, 1997). Accountants also persuaded management to sell 39 vehicles in 2005 and later, another 19 vehicles (Interview with General Manager Finance; Moli annual report, 2006). Accounting and finance staff played predominant roles, with

accountants continuing to provide vital financial decision-making advice to management.

Accountants initially computed the payback period on capital projects. For example, the service of broadband access to outer islands with resorts required accountants to work out payback periods. As the local economy is reliant on the tourism industry, tourism operators required broadband access to promote and manage their resorts, which are located in many small islands. For this, Aprisa Microwave Radio technology had proved a cost-effective and reliable solution. The payback period calculated by the accountant was two years and the project was accepted.

Gradually, more sophisticated techniques were introduced. Management's portrayal of running Moli as a successful business was reinforced by the introduction of accounting technologies of net present value (NPV) and economic value added (EVA), which accountants promoted. The requirement that all types of capital expenditure were to be accompanied by financial justifications signalled the shift in power away from engineers to accountants. An EVA and NPV calculation had to accompany any request for capital and be included in forecasts for the company over the five-year period in Moli's business plan, which accountants promoted. For example, accountants computed NPV on public telephone booths with and without windows and came up with higher NPV for public telephone booths with windows. Therefore, management took up the project of public telephone booths with windows. Capital investment enabled accountants to ask: Can the business afford it? What were the investment options? Decision-making on the basis of NPV and EVA became enacted and taken for granted at Moli.

The Finance Manager saw his role as "equipping and advising management with necessary information so that they could do their jobs". He supported only projects that yielded positive NPV and return on investments, and ensured divisions kept up with the allocated budgets. Stringent cost controls were put in place and justification was sought from heads of business units if they deviated from budgetary allocations (Interview with Accountant 2). At the Finance Manager's instigation, divisional management accountants were set up in each strategic business unit. The management accountants were responsible directly to the strategic business unit (divisional) managers. Accountants were thus located in almost all sections of the organisation rather than confined to a separate section. The following interview quotes illustrate this decentralisation of the accounting function:

I'm not sitting in the Finance Section, but in the Engineering Network section - sitting next to the Engineering Manager and advising on costing and efficiency of telecom services (Accountant 2).

It's easier to spread commercial consciousness when you're part of operational management. If you're there at the ground level, people will be popping their head and asking for advice (Financial Manager).

While the unit managers considered accountants as information experts, the accountants also pushed some clerical accounting tasks out to unit managers to instil commercial routines amongst their staff.

The new commercial objectives were fostered by accountants. These objectives enabled Moli employees to be more commercially focussed. New accounts were crafted.

Gradually, through actions and interactions, the new accounts were coupled to organisational activities. An accountant noted:

All divisions/strategic business units' members were reliant on accounting information for decision making (Accountant 1).

According to interviewees, profitability and accounting phrases entered the common language at Moli and again this discourse was promoted and encouraged by the accountants in the Finance Division. In other words, the executive managers and accountants as institutional entrepreneurs were attempting to manage their business in new ways. According to interviewees, there were increased budget controls that called for new ways of running the business. Some interviewees indicated that there was an increased focus on business planning, a function new to the organisation. Moving to business planning, and particularly through capital investments, the accountants recast management debate into a language of the bottom line. Telecommunication matters gradually came to be discussed as financial matters. Planning and budgeting activities through accountants began to symbolise the search for profit-maximising opportunities. The new business rules and routines were seen by key organisational agents as "building blocks" in their strategies to enact business routines and to gain power. The routinisation of new, imposed accounting practices did occur (Burns, 2000).

The appointment of a General Manager, Finance Business Unit signalled the importance placed on accounting effort. The establishment of a new accounting system was critical in changing the organisational routines. In meetings, employees also began to talk of accounting measures such as profitability and return on investment, thus depicting the routinisation of internal accounting practices. Some of the performance indicators established by the accountants were lines per employee, revenue per employee (\$) and revenue per line (\$). In 2000, the lines per employee was 61, revenue per employee was \$125,751 and revenue per line was F\$1,063 (Moli Annual Report, 2001). This revenue eventually improved over the years. For example, in 2006, the lines per employee was 114, revenue per employee was \$147,495, while revenue per line was \$1,292 (Moli Annual Report, 2006). Some non-financial performance measures such as customer satisfaction and training of employees were also promoted by accountants and business heads as institutional entrepreneurs. Staff were encouraged to upskill themselves with tertiary qualifications. The heads of business units with the help of accountants normally reimbursed employees' tuition fees once they were successful in their studies. There were also seminars from the various operation managers, which were run by the Finance Division. This strategy was part of a "finance awareness programme" and focussed on topics such as budget setting and management capital expenditure.

An accountant commented:

The game changed towards effectiveness. Previously we were slack on cost - could use whatever was given to us. And now the whole performance culture has changed. We are continually working towards the performance targets in terms of profit to be achieved and return on investment (Accountant 3).

To improve the bottom line, accountants recommended, with trade union assent, an agreement about voluntary redundancy. Payments of approximately F\$9 million were made to 300 employees in 2006 as part of the redundancy package. The Chief Financial Officer argued that, although such payment may have significant impact on current

profitability, the profitability would actually grow in the long term. The key business assumptions needed reorienting towards customers and cost-efficiency issues – a revolutionary change (Burns and Scapens, 2000). Certain groups and individuals, including Finance Strategic Business Unit teams, became central to the process through which new ways could be carved out and eventually become generally accepted and adopted (Burns and Baldvinsdottir, 2005). For example, in meetings, heads of business units examined subsidiary accounts in terms of the “bottom line” of subsidiaries. As the managers’ purpose at Moli was to make profit, the significance of customers was revenues. According to an accountant, finance played a vital role in supporting telecommunication activities.

As accountants and accounting became a day-to-day part of organisational practices, the conditions for changing to commercial business routines for management and employees were set in place. The Finance Manager described how the divisional managers were beginning to rely on management accountants for accounting information in their day-to-day managerial duties. A system of “accounting buddies” (Lapsley and Pallot, 2000, p. 225) was introduced whereby each operational unit had a person from accounting services assigned to it. This person provided ongoing advice on financial matters and formed part of any project team. A management accountant commented:

The divisional managers now realise they need information to manage resources. Divisional managers feel their understanding of accounting numbers is useful in running a business (Management Accountant).

A divisional manager commented about the management accountant who supported his business unit:

He gives me encouragement in my business, and helps me to make business decisions. He is my adviser. He makes a valuable contribution to the running of my strategic business unit (General Manager, Access).

The accountants, as entrepreneurs for privatisation, encouraged and assisted operation managers to think about the financial implications of any local decisions. The business managers valued their relationships with accountants and vice versa. Previously, the accounting function had been centralised and removed from day-to-day operations; accountants were housed in a separate block. The function now became decentralised and situated in the operational field. The Finance Manager expected the accountants to pass on their accounting routines and know-how through training and day-to-day interactions. More employees at Moli started to be “persuaded” of the need to be more business-oriented. Such widespread use of accounting and its routines underpinned what the CEO called a “result orientation”. The compilation and use of business plans, budgets and other schedules underpinned the assumptions to make money and make contributions towards results. Accounting (use of accounting information) had become “encoded” into the organisation system – part of the taken-for-granted assumptions and beliefs (Burns, 2000). A manager commented:

One is rewarded to be more business-like through performance measures where you get a bonus for meeting business related targets (Manager, Human Resources).

Business discourse began to influence management practices. The accountants, CEO and heads of business units became powerful entrepreneurs within Moli. They used

their power to drive commercial business-oriented ways of thinking; and practices at Moli were closely monitored through formal accounting mechanisms. The new accounting procedure had the potential to shift significant power over financial resources to the CEO, accountants and heads of business units. However, it was the consultant who initially drove the changes to accrual accounting at the request of the CEO and helped to enrol heads of business units and accountants to steer change towards commercial business routines.

The path from public service ethos to commercial norms was not smooth. The commercial business routines challenged some who subscribed to old beliefs. There was a degree of resentment and hostility, but heads of business units and accountants as institutional entrepreneurs let each step settle before tackling new changes, and gradually a majority of employees converted to the acceptance of commercial business routines. A few who disliked the changes left the organisation. Nevertheless, the change to commercial business routines was enacted, reproduced and institutionalised over time (Burns and Scapens, 2000), as can be seen from preceding discussion. The change was enacted by the CEO, heads of business units and accountants and eventually became the “taken-for-granted” way of doing things within the organisation. Here, in Moli, generalised calls for financial efficiency were translated into its day-to-day practices. The next section brings the narrative together and concludes the paper.

6. Discussion/Conclusion

This paper examines a range of issues surrounding the role of institutional entrepreneurs in the privatisation and long-term restructuring of a major public sector enterprise. In particular, the paper examines how accountants and other entrepreneurs were instrumental in developing accounting practices so that a government service telecommunications entity could be prepared for privatisation. The NPM reforms and restructuring were introduced by the government, and partly under imposition by the World Bank and other international organisations. The ostensible justification for these reforms was to increase efficiency and establish telecommunications as a profit-motivated corporation.

The study demonstrates the shifting of control and power structures from an engineering culture to one predicated on commercial values. Accountants, hired by the CEO and heads of business units, became powerful within Moli. The accounting changes that were imposed by the heads of business units were initially resisted by the trade union and employees. With wider education on the change process and recruitment of more accountants, the change was enabled by management. The new commercial accounting procedures were eventually able to shift significant power to the accountants and heads of business units.

We adopt an extended institutional theory framework that can be used to recognise the role of power in processes of accounting change (Burns, 2000; Busco and Scapens, 2011; Collier, 2001; Seo and Creed, 2002). Our research has detailed the introduction of a technical calculus by heads of business units and accountants in the privatisation process and also how the CEO, heads of business units and accountants became more powerful relative to engineers within Moli. This transformation was partly enabled by the recruitment of accountants from the private sector who helped to motivate a new debate in the language of markets and economics. The influx of more “conventional” technical accountants was accompanied by a new set of rules and routines. At the same

time, other accountants who were embedded in the old institutionalised way of doing things gradually embraced change and became agents of change, or institutional entrepreneurs. The introduction of business concepts, inspired by the NPM reforms, was also facilitated by external consultants and a management team comprising mainly management from the Finance Division and other senior managers. In this process, staff both internal and external to the organisation and at different levels within the organisation, came to act as institutional entrepreneurs and shaped the transition to enable Moli to be privatised.

Senior management including the CEO were instrumental in hiring accountants with private sector backgrounds. The accountants, heads of business units and the CEO became powerful entrepreneurs within Moli. The practices at Moli were closely monitored through formal accounting mechanisms. Gradually, as people elaborated the new logic for organisational activity, momentum was created. The ongoing impact of changed business routines instigated by accountants mobilised the interests of more actors and enrolled them to become active co-producers of business routines.

The accounting system changed from cash basis to accrual accounting. The emergent change to accrual accounting and a computerised-based accounting system evolved from recognition of inter-institutional contradiction (Seo and Creed, 2002) by key (change) agents and through a questioning of the previously taken-for-granted routines based on physical production and a technical orientation to performance. These moves to introduce accrual accounting, economic value added and return on investment can be seen as changes in organisational rules and routines (Abrahamsson and Gerdin, 2006; ter Bogt, 2008; Burns and Scapens, 2000; Ribeiro and Scapens, 2006; Scapens, 2006). According to institutional theory, routines may continuously show signs of slight change as a result of daily experiences, but they are rooted in the organisation's values and traditions (ter Bogt, 2008). After a while, routines can become institutionalised in that they become settled ways of thinking inside and outside an organisation (ter Bogt, 2008; Burns and Scapens, 2000).

Influences external to Moli, from the World Bank and government, as well as inter-organisational contradictions enabled institutional entrepreneurs such as accountants and business unit heads to introduce accrual accounting and computerised accounting systems. Stakeholders appointed by the government, and following advice from the World Bank, created a conflict situation, thus creating these inter-institutional contradictions. A regimen of commercial business routines, which accountants and business unit heads promoted, was introduced and followed. The Finance Division continually advised managers on decision-making using financial metrics. The managers came increasingly to rely on this accounting information, and the accountants' role became central to Moli's operations.

The paper makes a contribution to elaborating the role of institutional entrepreneurs as agents of change towards privatisation and to showing how accounting was used as a technology of change. The accounting technology becomes complicit in the change. Accounting is treated as acting in the same manner as an institutional entrepreneur such as the heads of business units and accountants who introduce the change in business routines. Activities were promoted by heads of business units and accountants to be framed by Moli members in economic and commercial terms instead of physical provision of telecommunications. Telecommunication services were colonised by accounting practices, including economic value added and net present value

calculations of capital replacement decisions. Institutional entrepreneurs were involved in the crafting of new commercial business accounting rules and routines. The new accounting techniques helped change people's perceptions of the organisation.

The paper analyses the process through which institutional entrepreneurs enabled commercial business routines to spread across the organisation and gain ascendancy. We demonstrate the shifting power in an organisation as accountants and heads of business units sought to redefine business norms. The legitimacy of accepted criteria for action was challenged and changed (Dent, 1991). The accountants and heads of business units acted as institutional entrepreneurs – working within existing (though evolving) institutional arrangements. Management accountants in each strategic business unit were appointed to provide operation managers with accounting information. The consultants, CEO, heads of business units and accountants were instrumental in enacting and routinising new accounting techniques. These people demonstrate different types of institutional entrepreneurs: consultants, the CEO, heads of business units and accountants. Consultants, in particular, have been described as having a significant influence within the transformation of the public sector during the past few decades (Lapsley and Oldfield, 2001). Heads of business units were instrumental in the recruitment of accountants and subsequently the company's demography changed towards having more accountants relative to engineers. Over time, the new accounting routines in the form of commercial accounting and computerised systems were reproduced and routinised by actors.

The management accounting literature recognises that much institutional research focusses on the stability of organisational practices rather than on change (Burns and Scapens, 2000). How embedded actors create change in accounting and control practices needs further attention (Burns and Baldvinsdottir, 2005). When, why and how can change emerge from institutionally embedded practices? Adopting Seo and Creed's (2002), Beckert's (1999) and Dorado's (2005) notion of institutional contradictions and institutional entrepreneurship, we arrive at an interpretation of institutional entrepreneurs that goes some way towards explaining the interactions between institutional embeddedness and transformational action and towards a more explicit view of institutional change. Our study explicitly conceptualises and empirically investigates how institutional entrepreneurs such as the CEO, business unit heads, consultants and accountants came to drive change at Moli, and how they went about enacting such changes. The paper contributes to the literature of institutional entrepreneurship, enabling change at the intra-organisational level, an area which has received somewhat scant attention in the accounting literature (Burns and Scapens, 2000; Tsamenyi *et al.*, 2006). Future research could use the theoretical lens to carry out additional longitudinal research into the dynamics of accounting and control change processes over time.

Notes

1. Used as a pseudonym.
2. Organisational routines were focussed around such activities as the physical connection of telephones to customers and other engineering infrastructure issues. Accounting information was not so vital for managers in accomplishing their objectives. The focus was on levels of telephone connection, rather than levels of cost.
3. The social interactions are ongoing within organisational levels of a company and so it relates to micro-level change.

4. Process of change refers to changes occurring at the micro-level and how the changes were carried out by organisational agents.
5. We present contradiction between labour and union here, as [Seo and Creed \(2002\)](#) articulate that it is only institutional contradictions that will enable embedded agents to shape changes.

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